Introduction to Fleur de Lis Energy
EORI Conference
July 2015
Executive Summary

• Introduction to Fleur de Lis Energy, LLC (FDL)
• Overview of the FDL’s Wyoming Acquisition
• Activity since taking over operations May 1st
• Future Wyoming EOR Opportunities
FDL & KKR Formed Partnership In March 2014

• Fleur de Lis Energy, LLC ("FDL") and KKR formed a partnership to pursue investments in predominantly producing oil & gas properties in North America

• FDL was founded by Porter Trimble, former Vice Chairman of Merit Energy Corporation ("Merit"), FDL specializes in the acquisition and optimization of producing conventional and unconventional oil & gas assets

• FDL has assembled a highly experienced operations and business development team with a strong track record of executing on the producing resource strategy

• To date, the FDL-KKR partnership has together completed three separate transactions, acquiring over $1.1 billion in assets with proved reserves of 93 MMBoe and net production of 21,500 Boe/d
  • Acquired long-life producing gas assets located in Mississippi from Penn Virginia in July 2014
  • Acquired producing oil assets located in the Midland Basin from Linn Energy in September 2014
  • Acquired CO2 enhanced oil recovery assets located in Wyoming from Anadarko Petroleum in April 2015

• FDL-KKR’s strategy seeks to buy high quality, under-managed assets on the right basis and generate attractive investment returns by lowering operating costs and increasing the amount of recoverable reserves
Map of Recent Wyoming Acquisition
Salt Creek Geology

**Deposition**
- Wall Creek 2 is middle and upper shoreface depositional setting
- Wall Creek 1 is fluvial/tidal marine sands
- Top seal is the Cody Shale

**Trapping Mechanism**
- Salt Creek anticline formed during the Laramide orogeny, in response to west verging back thrust
- With Powder River Basin structure in place, hydrocarbons from the Mowry shale began migrated west and upward to Salt Creek approx. 60 MYA.
- Migration continued until regional uplift/erosion event approx. 10MYA.
Salt Creek Field

Salt Creek Overview:
- Discovered in 1908
- 540 producers, 540 injectors
- OOIP: 1.9 BO – 34% Rf to date
- Avg well depth is 1200’-3000’
- 16,800 net contiguous acres across two units
- Wall Creek 2 is primary horizon, opportunities in the Wall Creek 1, Lakota/Sundance/Tensleep
- CO2 flood initiated in 2003, 12 phases implemented to date
Monell Geology

**Deposition**
- Almond formation is Upper Cretaceous age
- Part of an extended barrier bar system
- Production is from two, stacked sand packages

**Trapping Mechanism**
- Facies change and southeast dip
- Lewis Shale above
Monell Field

Monell Overview:
- Discovered in 1959
- 141 producers, 77 injectors
- OOIP: 146 MMBO - 34% Rf to date
- Avg well depth is 4700’
- 17,956 net contiguous acres
- Almond formation is main producing horizon
- CO2 flood initiated in 2001, 3 phases implemented to date
Linch and Howell Pipeline

**Linch Compex:**
- Consists of 3 fields located 10 miles north of Salt Creek
- +20 MMBO reserve target
- Plan to focus on reviving waterflood and EOR potential

**Howell Pipeline**
- Own CO₂ pipeline connecting Bairoil to Salt Creek
- Also transport CO₂ for Denbury (Grieve & Point C)
FDL Commenced Operations of Wyoming Assets May 1, 2015

- Retained ~100 Wyoming full time employees
  - Operational transition has been smooth due to breadth of retained knowledge
  - Anadarko provided employees with first class training

- IT and data networks have provided greatest challenge in the acquisition
  - Fields were integrated with Anadarko’s global network and had to be severed without taking down the internal network
  - Monell and Salt Creek are fully automated
  - Salt Creek as 100+ years of data
    - Significant number of TA’d and P&A’d wells that must still be tracked
  - Historical and real time data is critical to field surveillance
  - Data acquisition and IT systems are nearly 100% up and running

- Currently focusing on optimizing WAG cycles, well treatments, basic facility optimization, and reducing operating expenses
Wyoming Acquisition Has Tremendous Upside

**Salt Creek**
- WAG cycle & pattern optimization
  - Well maintenance (acid/frac jobs)
    - Monitoring injection/production performance
  - Replacement wells and in-fill development
  - Minor Horizons Development
    - Lakota and Sundance

**Linch**
- Evaluate and optimize waterflood
- CO₂ flood fields

**Monell**
- Facility debottlenecking
- 9 spot development
- CO₂ flood Arch

**Howell Pipeline**
- Transport CO₂ to other customers
Summary

• FDL-KKR partnership formed in March 2014
  • Completed three separate transactions, acquiring over $1.1 billion in assets with proved reserves of 93 MMBoe and net production of 21,500 Boe/d

• Wyoming EOR acquisition transaction closed April 1, 2015 and took over operations May 1, 2015

• Focused on optimizing current operations
  • Increasing production and decreasing LOE

• Wyoming EOR assets have significant upside
  • Properties provide a strong toehold for future Rockies acquisitions