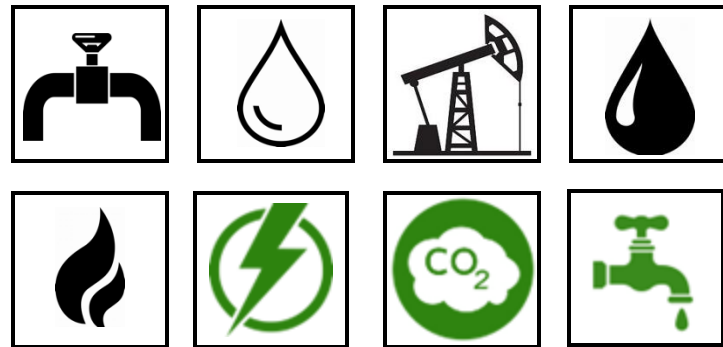


# X Oil Development



Skull Creek **NGL/SOVENT EOR** Project

Phase I / Phase II+ Opportunity

Emerging Energy Technology and Energy  
Transition Session

August 21, 2024

# LEADERSHIP TEAM

**SURTEK**

**JONES  
WALKER**

Southwestern  
Production Corp.

**RIO  
CHALLENGER,  
LLC**



**M. Walker Baus**

*Chairman of the Board*

- Securities attorney and investment executive
- Studied Economics at Emory University and holds a JD/EMBA from Tulane University

**SURTEK**

**ExxonMobil**



**James Dean**

*Chief Executive Officer X Oil Dev.*

- Project management and operations
- BS in Civil & Environmental Engineering from the University of Utah

**SURTEK**

**ExxonMobil**



**Elio Dean**

*Chief Technology Officer X Oil Dev.  
President Surtek*

- Reservoir engineer focused on EOR, CCUS and Field Development
- BS in Petroleum Engineering from the Colorado School of Mines and an MS in Energy Economics from the Colorado School of Mines

**SURTEK**

**ConocoPhillips**



**Cameron Ming**

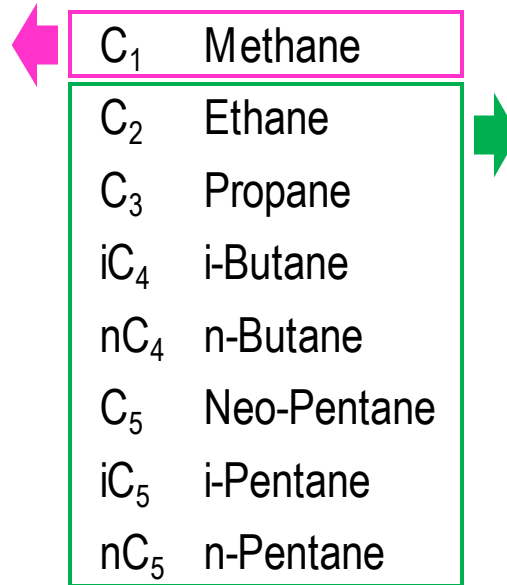
*V.P. Land & Legal*

- Landman and attorney
- BA from Brigham Young University and a JD from the University of Tulsa

# WHAT ARE WE TALKING ABOUT

## LIQUIFIED NATURAL GAS (LNG)

- Terrible injectant
- Global market



## NATURAL GAS LIQUIDS (NGL)

- The ideal injectant to produce oil
- Economic pricing and infrastructure available

EOR Project Phase	CAPEX (\$Million)	NGL Purchases (\$Million)	Incremental Barrels	Cost per barrel
Phase 1	\$2.2	\$1.99	161,000	\$26.00
Phase 2	\$31.0	\$48.4	3,200,000	\$24.81
Phase 3	\$70.0	\$73.5	9,200,000	\$15.60
Phase 4	\$175.0	\$161.0	25,000,000	\$13.44
Phase 5+	\$1,200.0	\$285.0	217,000,000	\$6.84

# TRANSITION NEEDED

Best acreage developed

Limited investment opportunity

Scary end to US oil industry (70-95% oil left in ground)

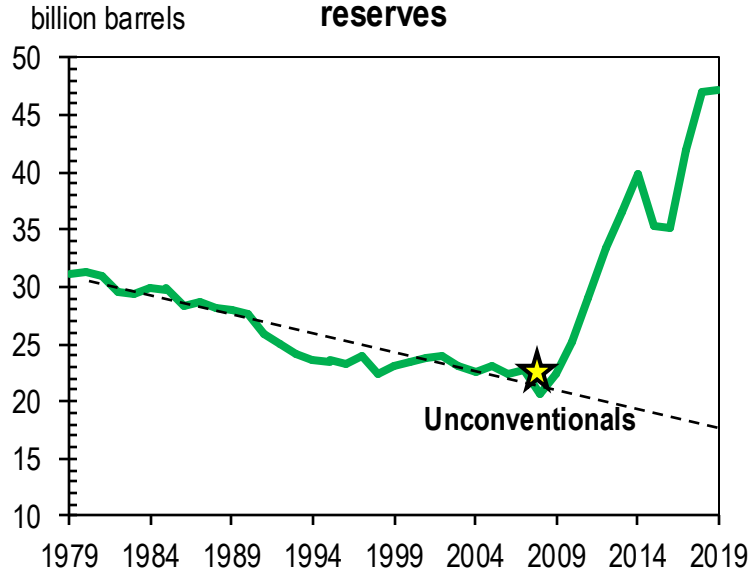
Utilize existing infrastructure

Reserves migration

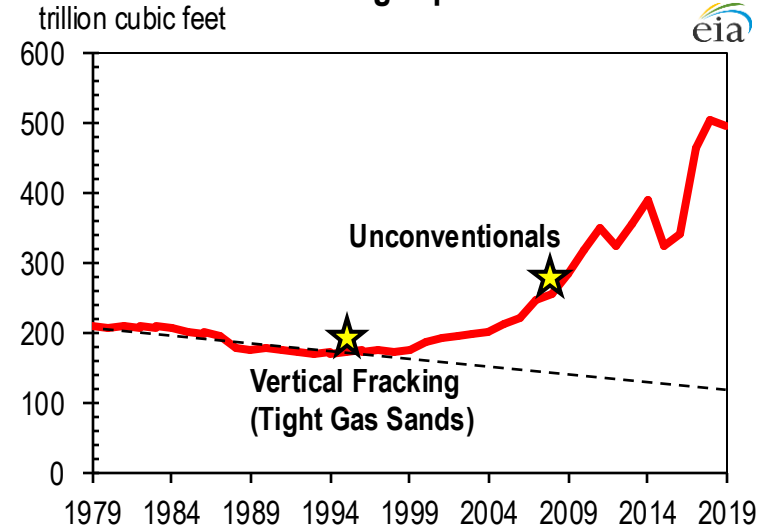
Proper transition



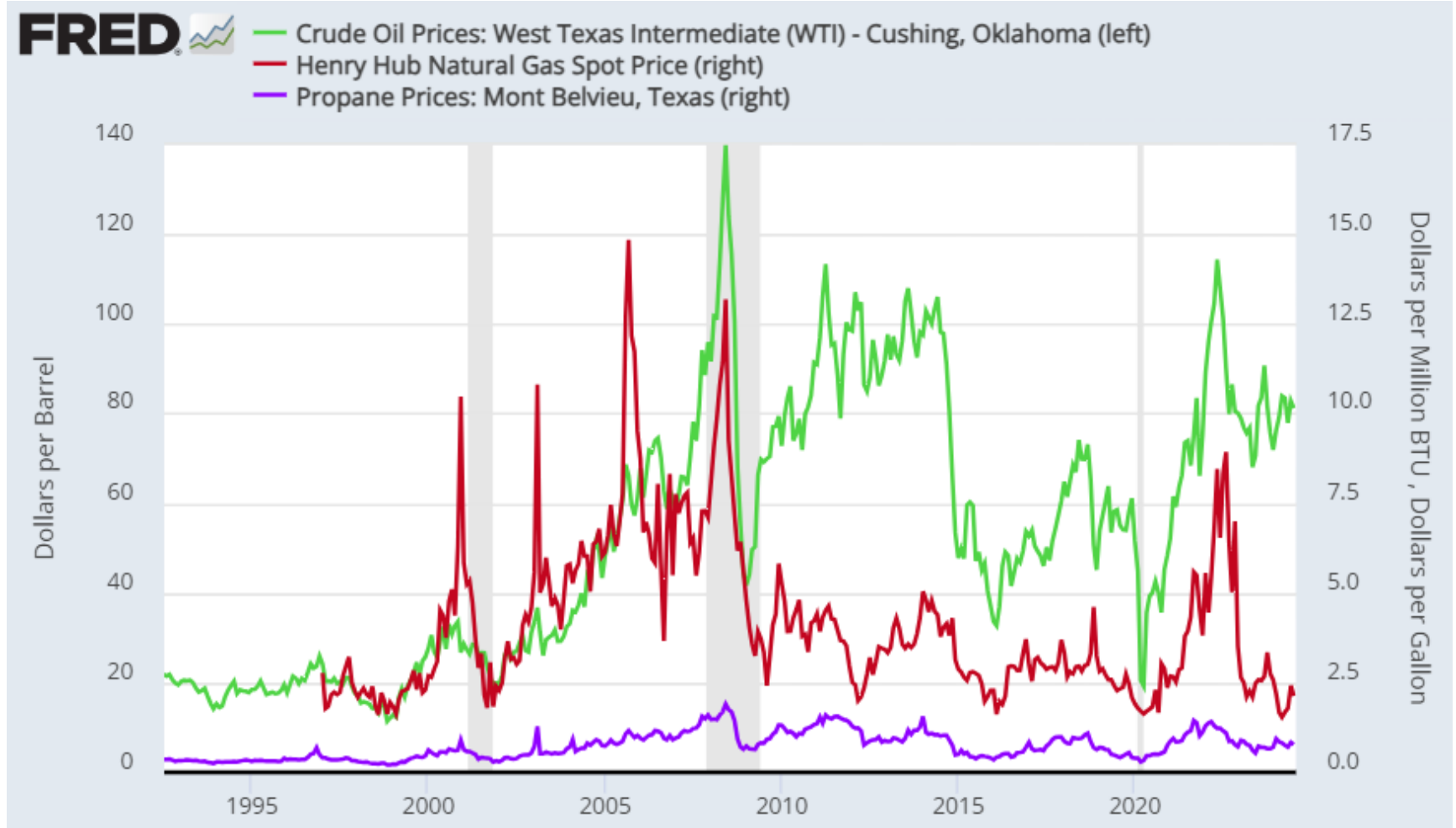
**U.S. crude oil and lease condensate proved reserves**



**U.S. total natural gas proved reserves**



# WHY NOW

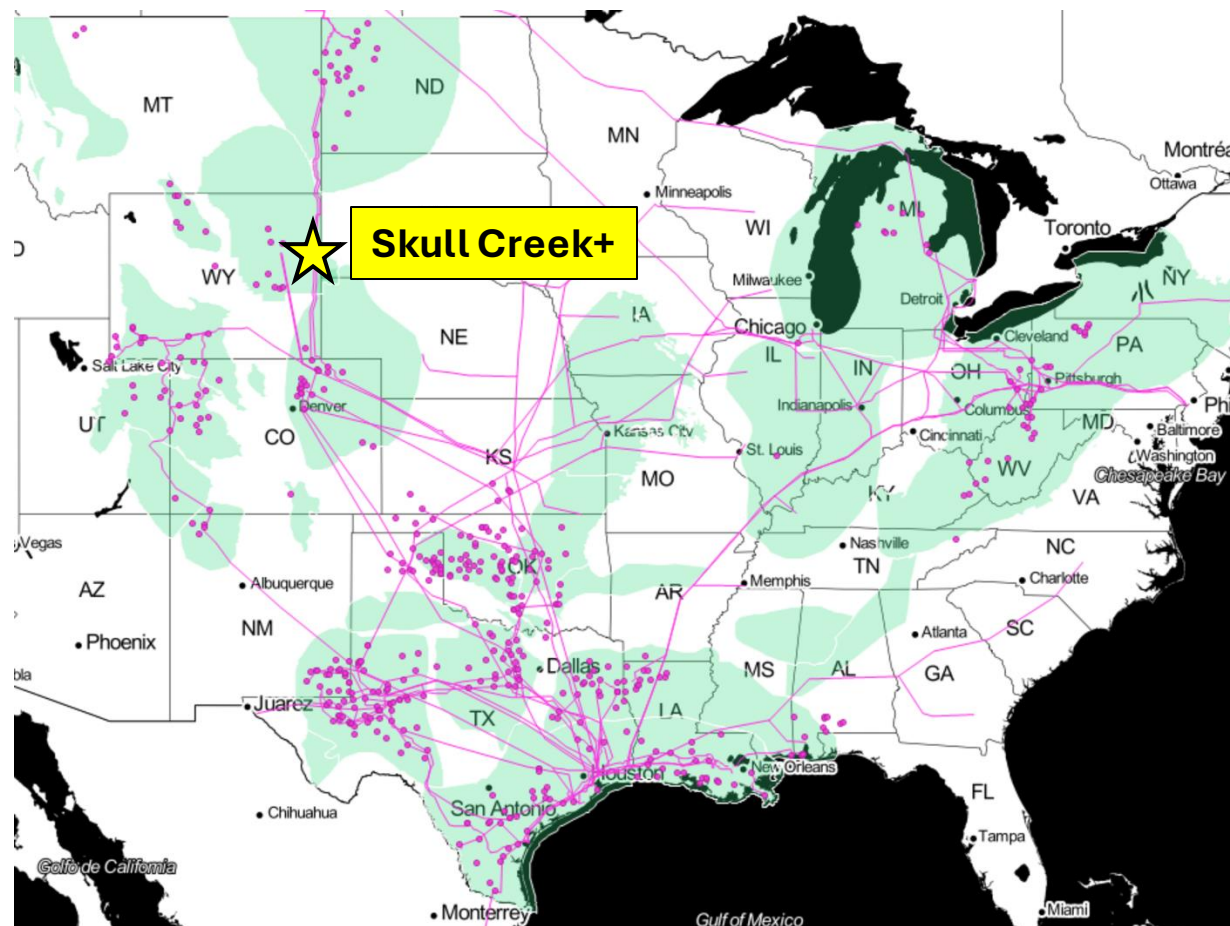
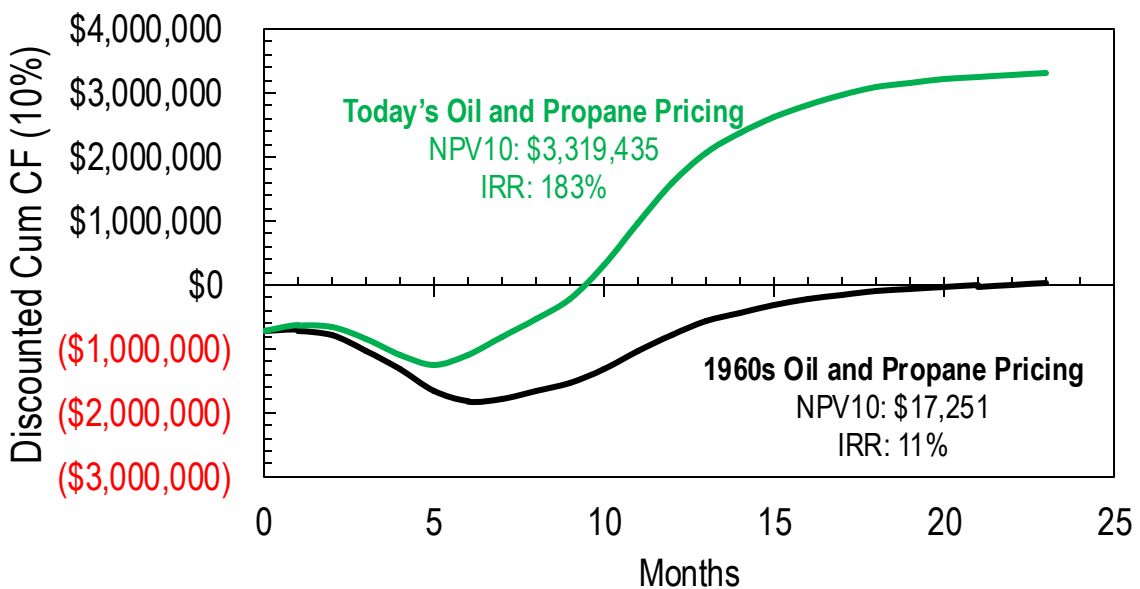


# SOLUTION

USA is flooded with NGL resulting in favorable pricing

Billions of dollars have been invested in infrastructure

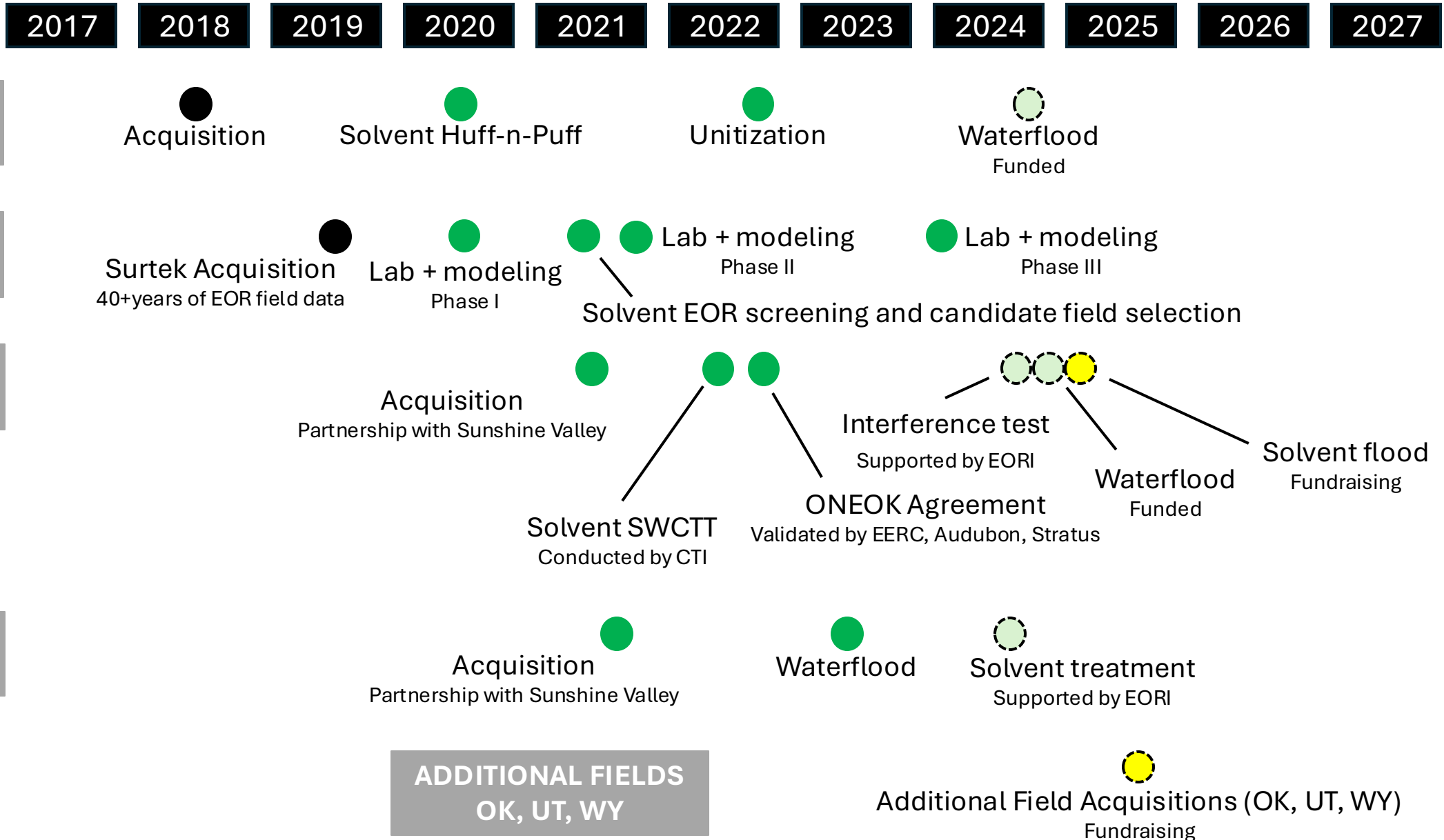
**Muddy Formation Pilot (1962 vs. 2024)**



- NGL Major Pipelines
- Gas Processing Plants
- Sedimentary Basins



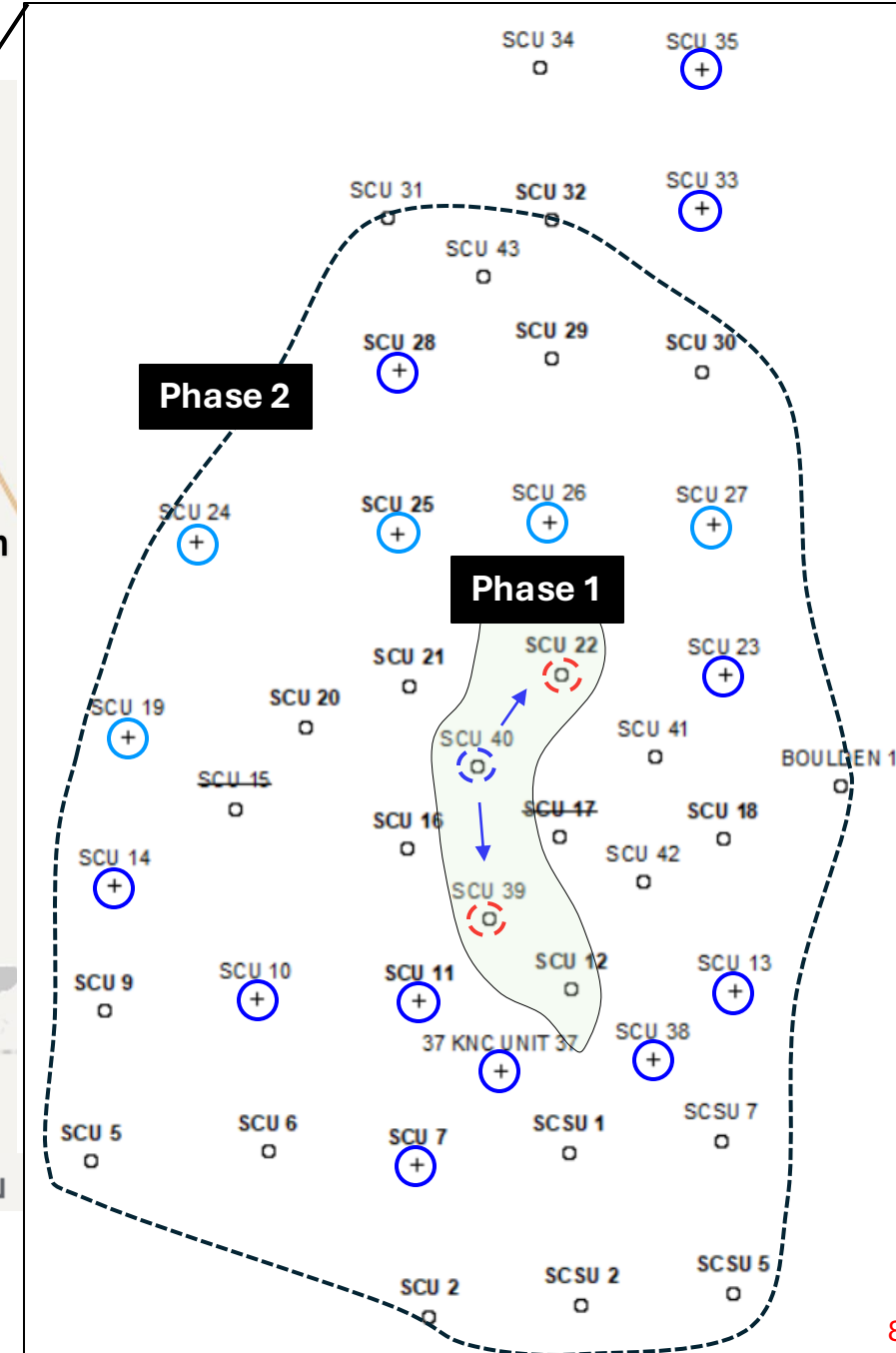
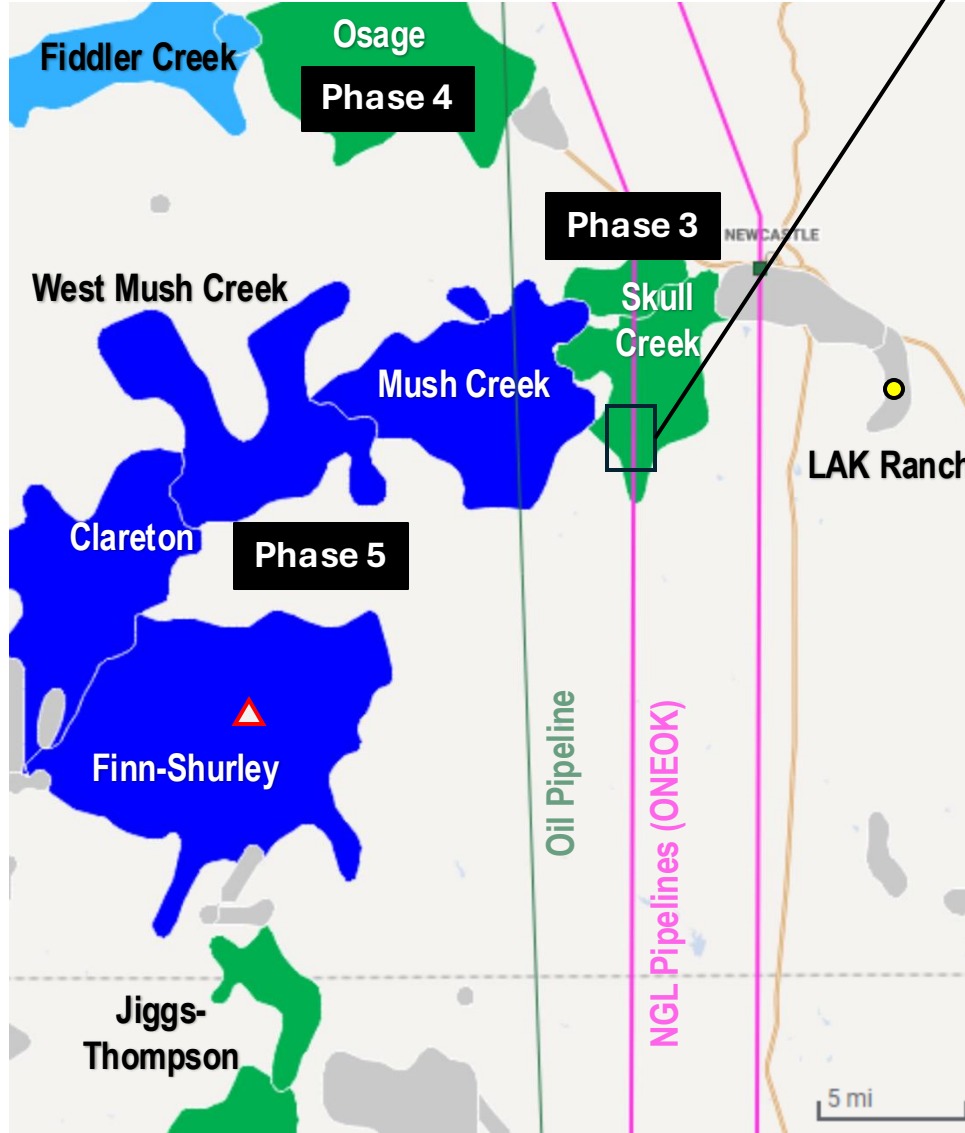
# MILESTONES AND TIMELINE



# OPPORTUNITY

## Checklist

- Regional expertise
- Mature oil field with successful waterflood
- Usable wellbores
- NGL pipeline
- Infrastructure
- In-house EOR expertise
- Acreage to expand
- Successful past pilot(s)

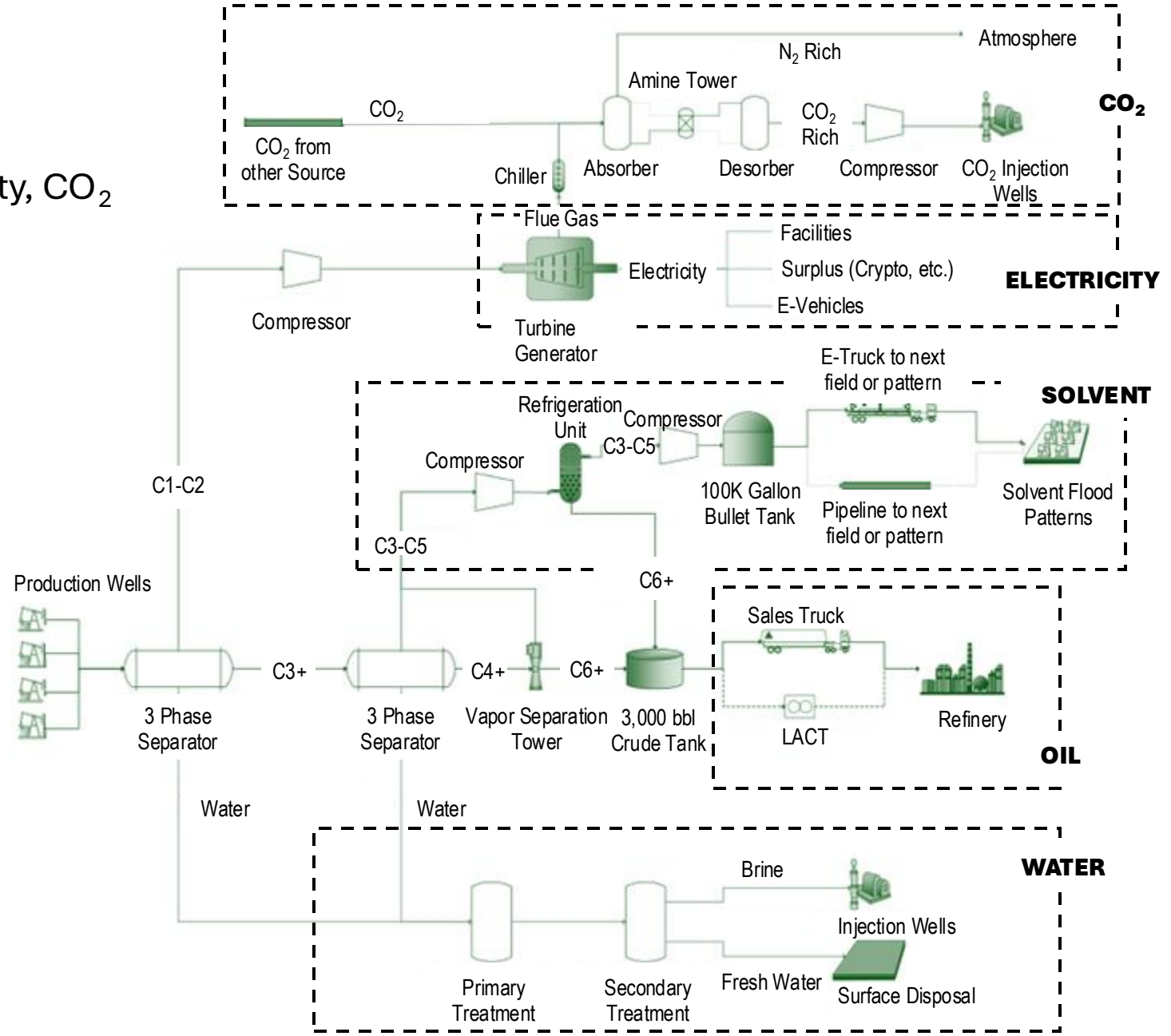
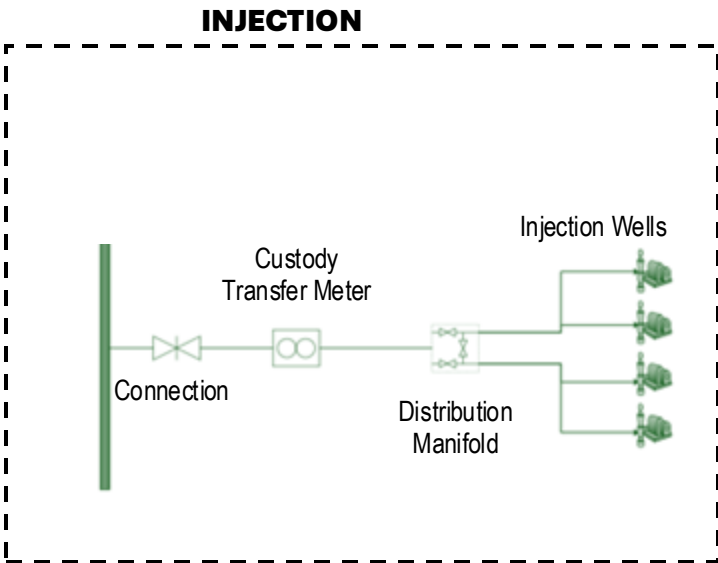


# BUSINESS MODEL

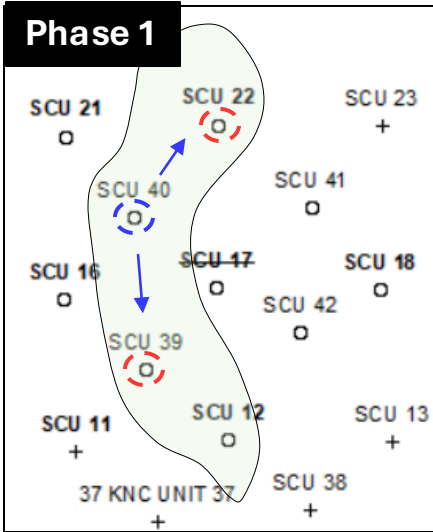
**Phase 1:** Injection, Oil, Water

**Phase 2-3:** Injection, Oil, Water, Solvent

**Phase 4+:** Injection, Oil, Water, Solvent, Electricity, CO<sub>2</sub>



# FINANCIAL PROJECTIONS



## Phase 1:

- Incremental oil: 161,000 bbl
- Key costs: CAPEX , NGL purchases (trucked), Well Prep / Flow Lines, and Central Production Facility

## Summary Financial Metrics (Phase 1)

### Results:

- Maximum Invested Capital: \$4,170,000
- Project MOIC: 1.25x
- NPV10: \$1,870,000
- IRR: 37%

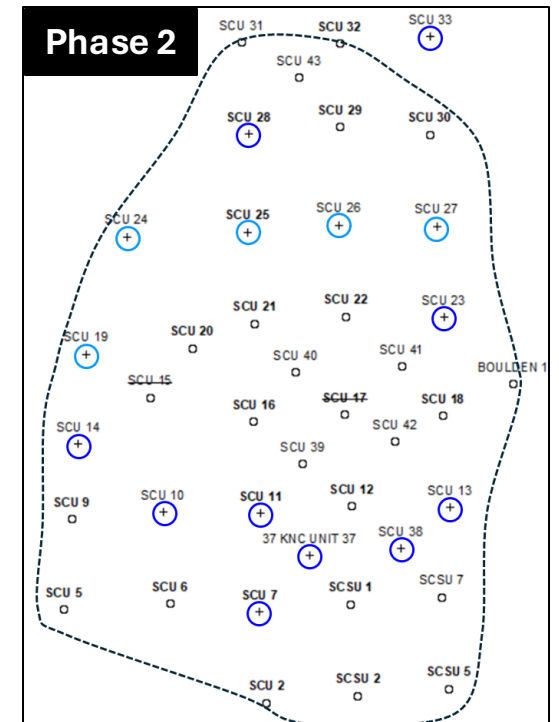
## Phase 2:

- Incremental oil: 3,200,000 bbl
- Key costs: CAPEX , NGL purchases, pipeline tie-in, Well Prep / Flow Lines, and Central Production Facility

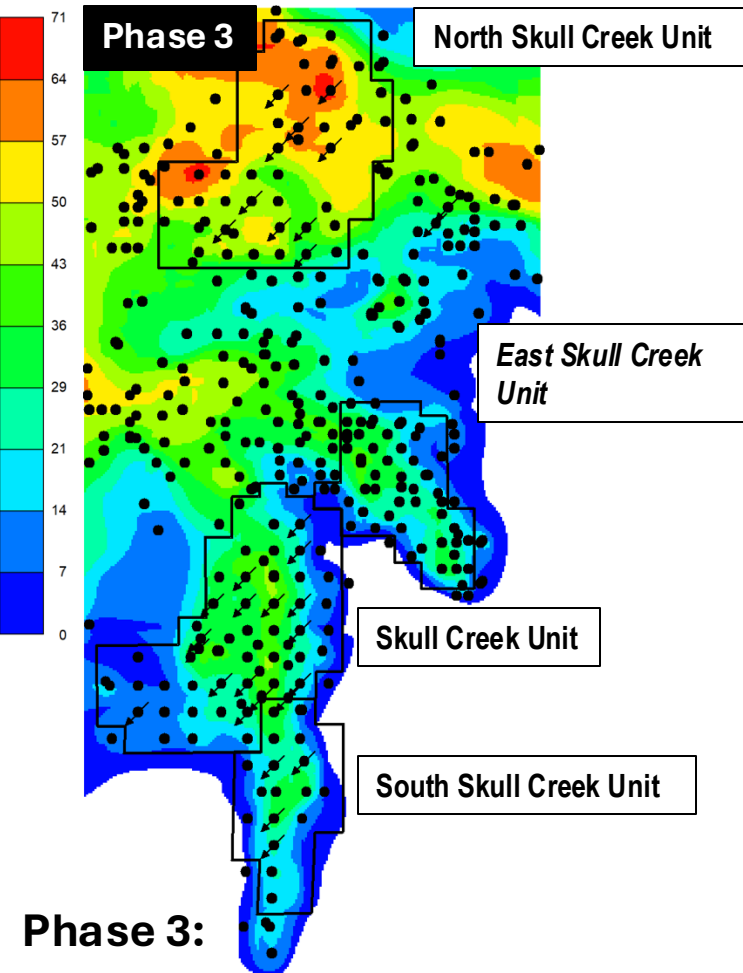
## Summary Financial Metrics (Phase 2)

### Results:

- Maximum Invested Capital: \$41,800,000
- Project MOIC: 1.85x
- NPV10: \$47,500,000
- IRR: 58%



# FINANCIAL PROJECTIONS CONT...



- Phase 3:**
- Incremental oil: 9,200,000 bbl
  - Key costs: CAPEX , NGL purchases, Well Prep / Flow Lines, and Central Production Facility

## Summary Financial Metrics (Phase 3)

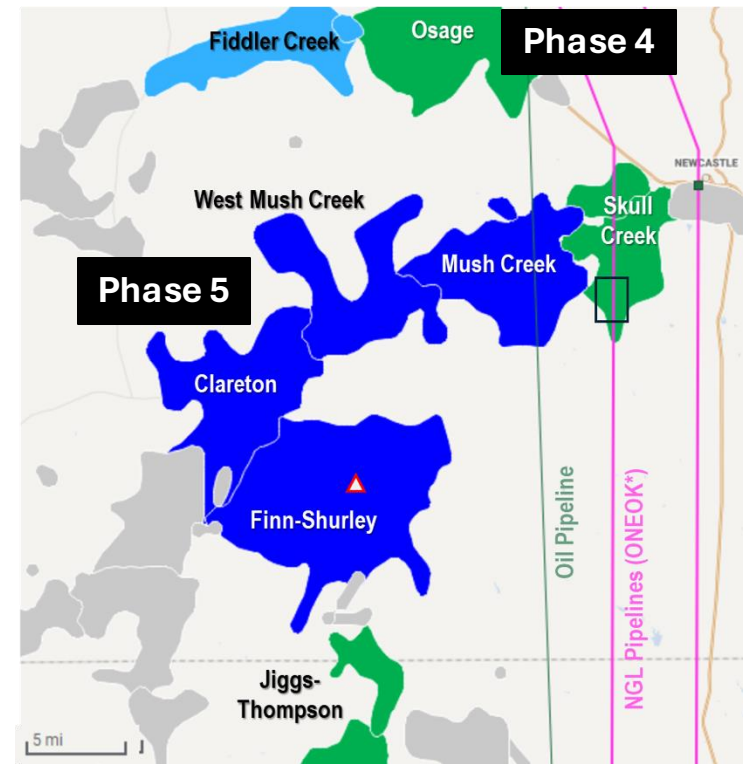
- Results:
- Maximum Invested Capital: \$54,700,000
  - Project MOIC: 2.83x
  - NPV10: \$155,290,000
  - IRR: 74%

## Summary Financial Metrics (Phase 4)

- Results:
- Maximum Invested Capital: \$56,700,000
  - Project MOIC: 6.47x
  - NPV10: \$366,991,000
  - IRR: 65%

## Summary Financial Metrics (Phase 5)

- Results:
- Maximum Invested Capital: \$327,700,000
  - Project MOIC: 7.72x
  - NPV10: \$2,529,000,000
  - IRR: 87%



- Phase 4 + 5:**
- Incremental oil: 25,900,000 bbl
  - Key costs: CAPEX , NGL purchases, pipeline tie-in, Well Prep / Flow Lines, and Central Production Facility

# CONCLUSIONS

1. NGLs are the ideal EOR agent and FINALLY economic
2. X Oil is one of the only companies with reservoir engineering expertise necessary to execute NGL EOR
3. X Oil is welcoming investors to join their efforts in the Skull Creek Project and expansion efforts
4. Projects are repeatable, low risk, expandable and applicable candidates have been identified
5. Projects produce remaining economic oil, builds up electricity grid in remote locations, prepares mature oil fields for Plug & Abandonment through CCUS

## THE TRANSITION TO THE TRANSITION

**THANK YOU**

**QUESTIONS AND ANSWERS**