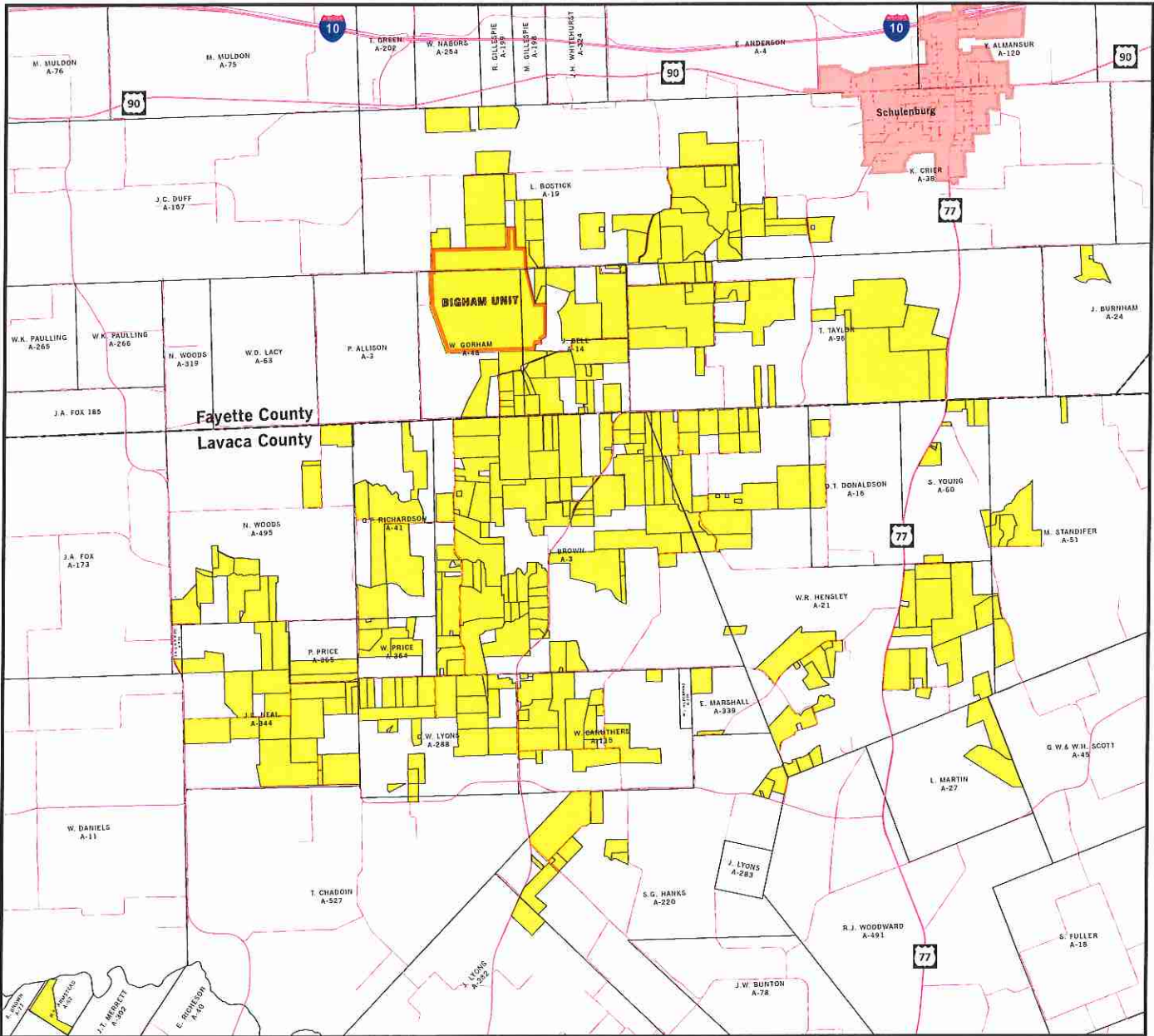




# KEW DRILLING

## RIFLE PROSPECT

Fayette & Lavaca Counties, Texas



**TEXAS**

### CONTACT

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### SUMMARY

Net Acres  
~12,000  
Primary Objective  
Austin Chalk

**KEW DRILLING - EXECUTIVE SUMMARY  
RIFLE PROSPECT  
FAYETTE AND LAVACA COUNTIES, TEXAS**

The Rifle Prospect is located in south central Texas, five miles southwest of the town of Schulenburg in southern Fayette and northern Lavaca Counties. The primary objective of the prospect is the Basal Austin Chalk at an approximate depth of 11,700 feet. The acreage block is located east of the San Marcos Arch and up-dip of the Edwards/Sligo Reef Trends at the southern end of the rapidly expanding Austin Chalk resource play. A strong secondary objective exists in the Upper Austin Chalk and is currently undeveloped in the project area.

The nearest, recent horizontal completions from the Basal Austin Chalk are located approximately 15 miles to the northeast in Fayette County, where GeoSouthern Energy is currently developing the Giddings (Austin Chalk-3) Field. In the nearest development, in Fayette County, GeoSouthern has drilled eight wells and staked five additional locations. Four wells have completion results, four have set production casing and the remaining are currently permitted. GeoSouthern's most recent well, the Breikreuz 1H was recently completed in the Basal Austin Chalk with an IP of 555 BOPD and 1.8 MMCF from a 5,800 ft. lateral. KEW's position is south of the block assembled by GeoSouthern and is contiguous to numerous competitor positions including, but not limited, to EOG Resources and Penn Virginia Corporation.

In the prospect area, older wells encountered over 700 feet of gross Austin Chalk at a depth of 11,500 feet. A key well in the prospect, the Bigham 1H, encountered over 150 feet of porous, hydrocarbon bearing Basal Austin Chalk while drilling for the deeper Eagle Ford and Edwards objectives. Several wells to the southwest of the block in EOG Resources' and Penn Virginia's Eagleville Field produced significant amounts of oil from the Basal Austin Chalk. Recent reserve estimates indicate in place Basal Austin Chalk reserves exceed 28 MMBO per 640 acre unit and an estimated 500,000 BOE recoverable per well in a six well per section program. Well completion costs range between \$7.5 MM and \$9.5 MM, depending on lateral length and completion style. GeoSouthern has drilled average lateral lengths of 5,200 feet, while EOG Resources and Penn Virginia drill a minimum of 7,000 feet laterals and have IP's ranging between 2,000 and 4,000 BOPD.

**TRADE SUMMARY**

KEW Drilling is offering for sale its 100% leasehold interest located in the area shown on the attached plat. Currently, these leases total approximately 12,000 net acres. The leases, all of which were taken in 2017, are three (3) year term with two (2) year extension options. KEW is conveying all of its leasehold interest and operations based on the following terms, conditions and reservations:

KEW will deliver a 75% Net Revenue Interest on all leases. KEW will reserve any net revenue between 25% and the existing lease burdens.

Purchase Price: Please contact KEW Drilling for price per net mineral acre.

**PRIMARY CONTACT:**

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**This prospect is subject to prior sale and may be withdrawn at any time.**