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Oil and Gas Asset Marketing & Advisory Services

SANTA MARIA AREA DEVELOPMENT PROJECT

3 Fields in Santa Barbara Co., California
11/1/11

Teaser

California Operator Seeking a 75% Partner to Continue Development of Two Large Oil Fields Located Near Santa Maria, California

- **Leases:** 100% WI; 79% NRI in +16,000 acres.
Development (Proved and Probable) -
+6,000 acres in a 10-acre spaced field that has produced +200 MMBO to date;
+300 acres in a 2.5-acre spaced field that has produced +40 MMBO to date;
(all above acreage is additional infill development – not increased density);

Exploratory or “Field Extension” – +9,000 acres with several large reserve targets (total estimated +150 MMBO);
- **Production Zone:** Monterey Shale at ~2000’ in one field, ~4,500’ in another.
Shallow field requires steam (12° API oil). Deeper field–NO steam (17° API oil);
(Note: this oil receives a +\$10 - \$14/BO BONUS to WTI prices – current price ~\$110/BO)
- **Wells:** +850 wells have been drilled in these two fields to date.
Average recovery 120,000 BO to +300,000 BO per well (vertical);
- **Projected Net Reserves (11/1/11):**

Proved Undeveloped:	26 MMBO (net 20.7 MMBO)	PV10 = \$1,027,483,000
Probable Undeveloped:	17 MMBO (net 13.6 MMBO)	PV10 = \$ 597,847,500
- **DEVELOPMENT & UPSIDE POTENTIAL:**
Drill +300 vertical wells on 10-acre spacing (average well cost \$350M – 650M)
Ideal horizontal well target – no fracing necessary – (est well cost ~\$1,100 M)

PERMITTING ALMOST COMPLETED (Important !!)

Personal note from AEA: AEA is marketing this privately. For those of you who have worked with us for 17+ years and trust our engineering judgment, this is one of the best deals we have had the opportunity to evaluate and market – take a close look.

**To execute a CA, receive a power point executive summary,
plus evaluation data (virtual data room):
Call Steve Lieberman, Pet Eng or Khris Kircher, Pet Eng
949-242-3636**