

WEYERHAEUSER COMPANY

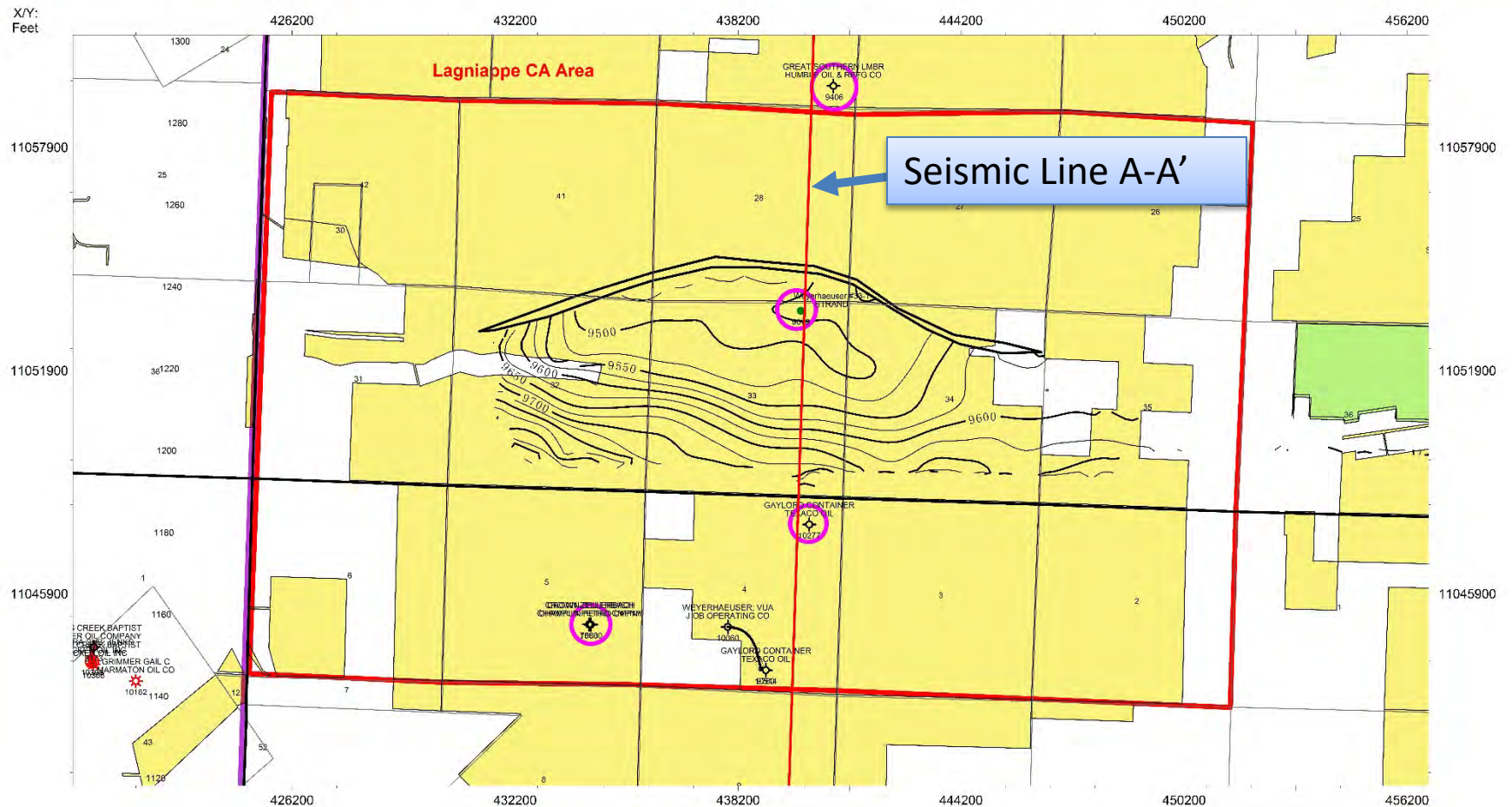
West Frost Prospect (Frio Ss)

Livingston Parish, LA

West Frost Frio Prospect Summary

- **Primary Target: Upper Frio Sandstone**
- **Location: T7S R4E – Sec. 33, Livingston Parish, Louisiana, Middle Colyell Creek Field**
- **3 – way structural closure**
- **Frio Reservoir Properties**
 - Age: Oligocene
 - Lithology: alternating sandstones and shales with occasional limestone beds
 - Area: 1000 acres
 - Net Pay: 8'
 - GOR: 500, 40 API gravity
 - Porosity: 18%, Permeability: 130 mD
 - 4.6 MMSTOOIP per section
 - Drive Mechanism: gas cap, pressure depletion
- **Single well technical EUR : 173 MBO (187 MBOE) assuming 200 ac drainage area and 15% RF**
- **Up to 4 drill ready locations**
- **Suggested terms: \$200/ac, 22.5% royalty interest, 1000 ac minimum lease with lease costs offset by production if well is drilled in the 1st year of the lease**

STRUCTURE MAP – TOP FRIO



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Project:

Project Location: Livingston Parish, LA

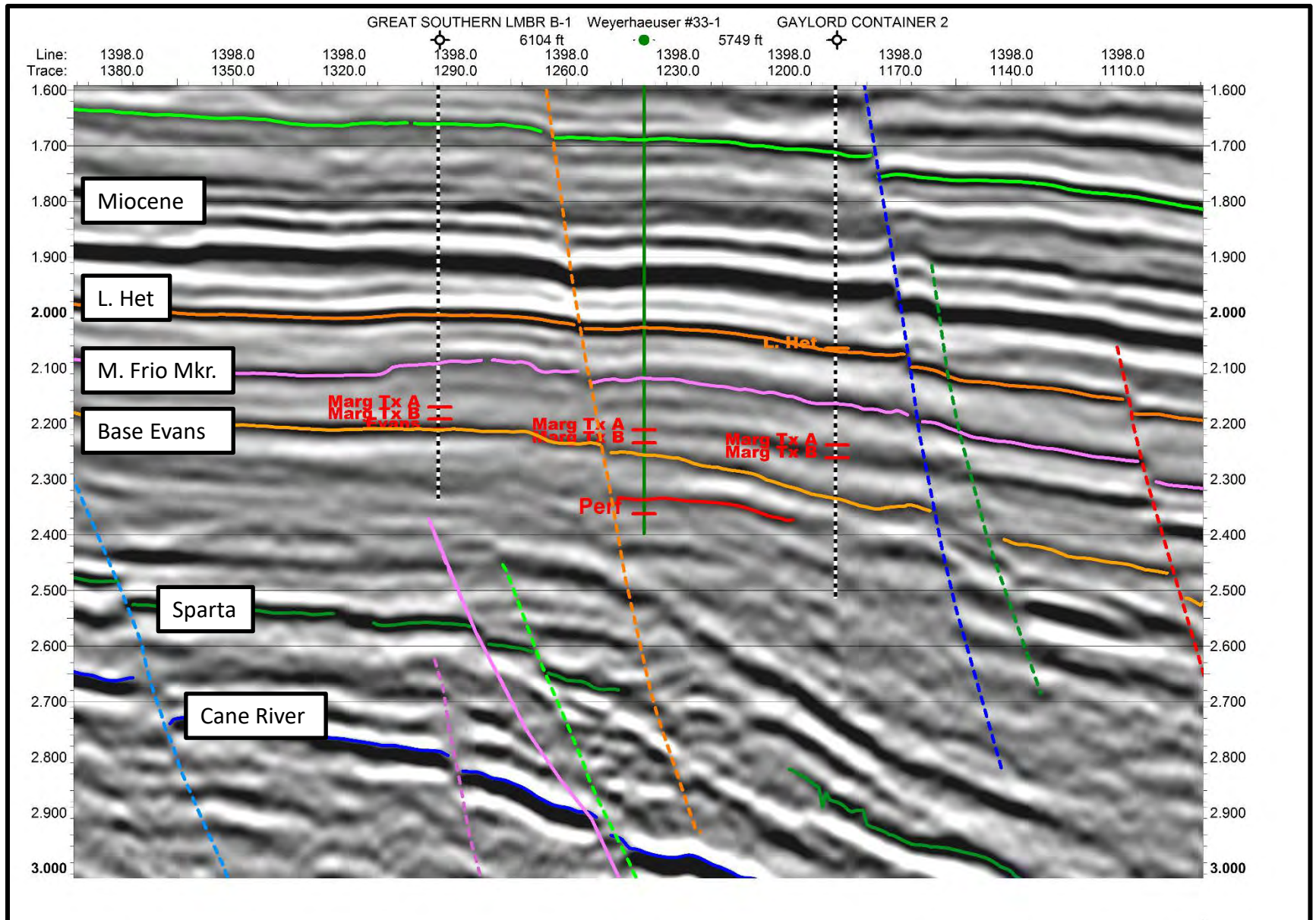
Contour: .mdh ST Strand 33-1 peak above sm depth+153
(niemib) (Black), Data Type: Depth, Version: Pre7.5

Structure – Peak 110' above #33-1 Deep Frio Pay

Seismic Line A-A'

North

South



BB

Humble
Gt. Southern B-1
KB est 21'
TD 9,406'
17-063-00017

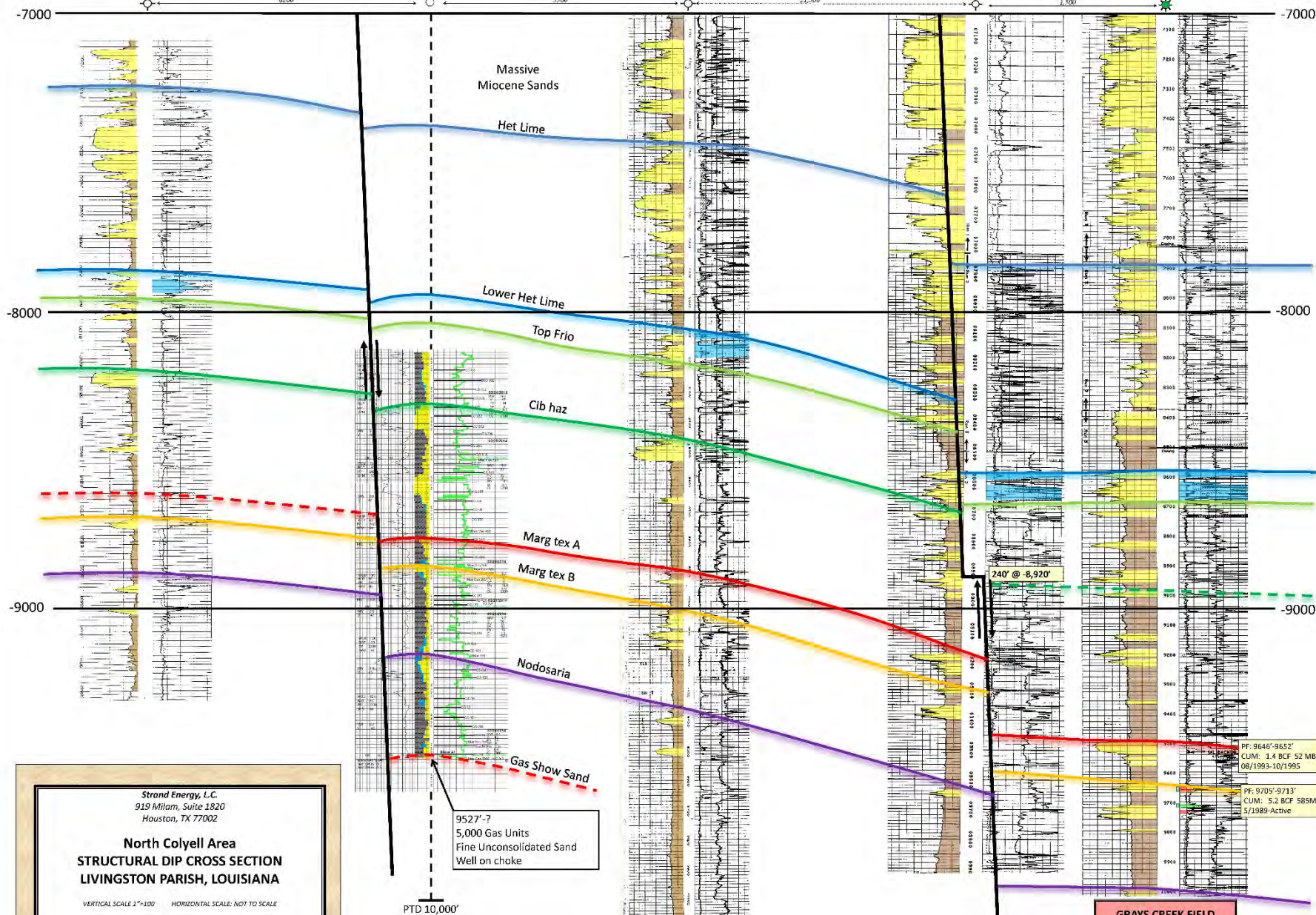
Strand Energy L.C.
Weyerhaeuser "33" #1
KB 21'
TD 10,000'
17-063-20314

The Texas Company
Gaylord Container #2
KB '21'
TD 10,092'
17-063-00041

Wacker Oil Inc
Elven J. Savoy #1
KB 33'
TD 9975'
17-063-20246

Wacker Oil Inc
Erva S. Mayer et al #1
KB 46'
TD 10,200'
17-063-20238

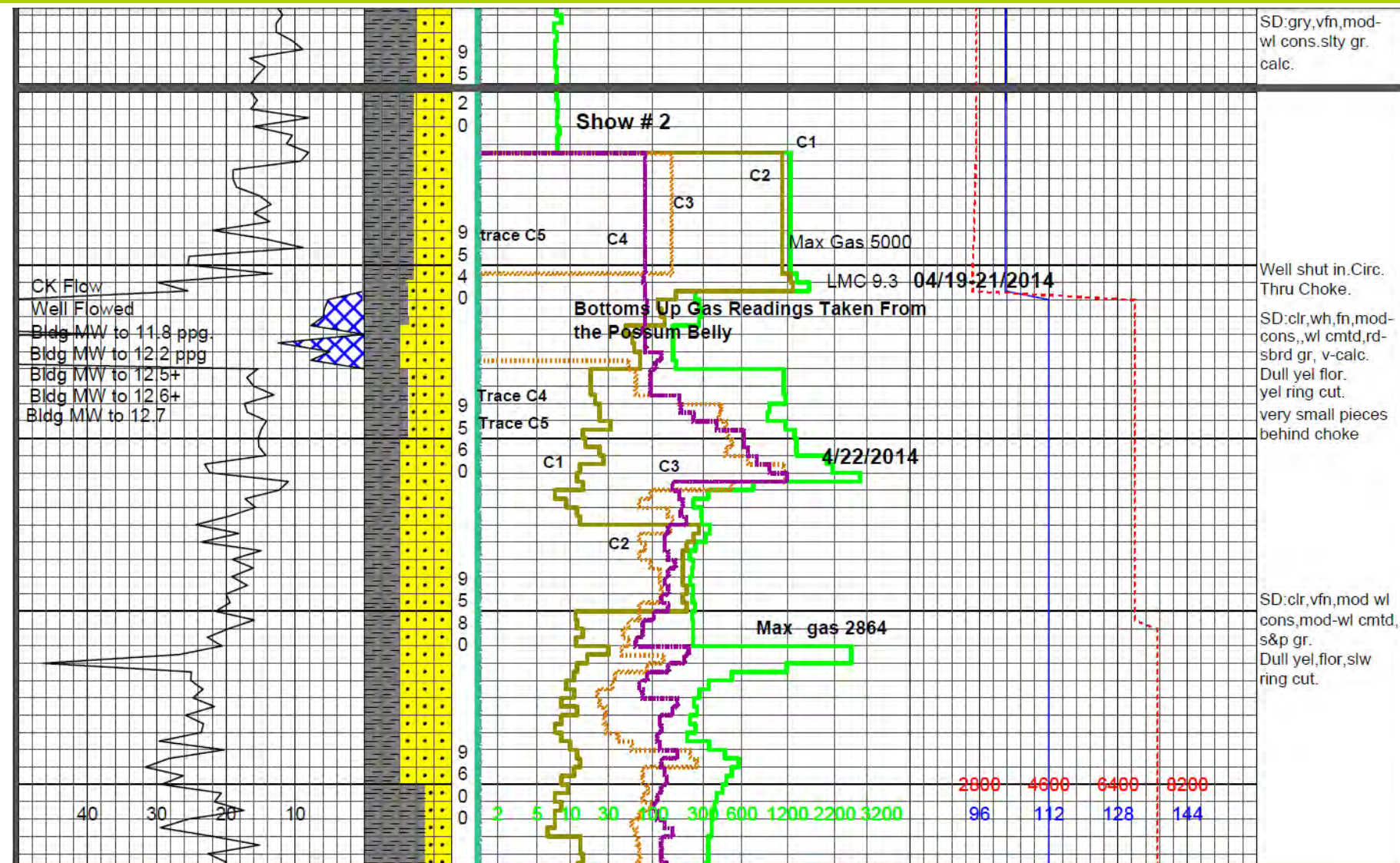
BB'



Strand Weyerhaeuser 33-1 History

- Mud weight was 9.8 ppg (.51 psi/ft) when they drilled through the top of the Frio and encountered the 1st show (kick) at 9500' MD and then built the MW to 13.1 ppg (.68 psi/ft) to TD; a second kick and strong show (5000 GU) was logged at 9527' MD
- Perforated 6' in the upper Frio 9505' – 9511' MD from cased hole logs
- Reported to Sonris IP24 data :140 BOPD/75 MCFD/340 BWPD, avg FTP 2100 #, avg water cut 76%, 9/64" choke
- During 24 hour flow test, peak 1 hour rate: 360 BOPD/110 MCFD/183 BWPD (34% water cut) , FTP 1965# 9/64" choke
- Completion Issues
 - Slim hole completion - due to hole conditions, 3 1/2" casing was run in order to be able to complete the well
 - Problematic cement integrity - cement was encountered after squeezing the hole in the 3-1/2" liner
 - Cased hole logs were run but perforations made through tubing and potentially off-depth

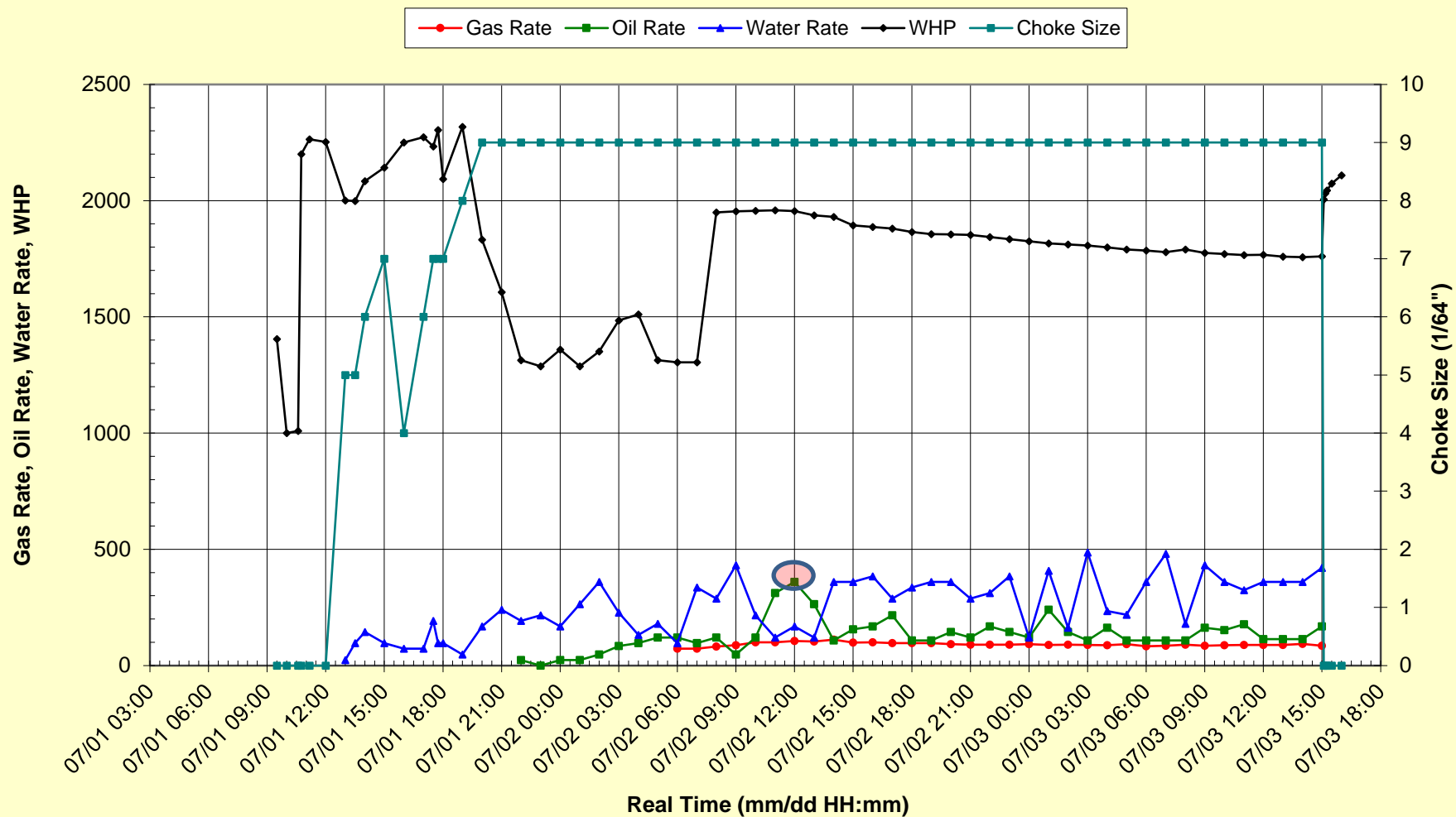
Strand 33-1 Mud Log Frio Show



Strand Energy .L.C - Weyerhaeuser 33 No. 1

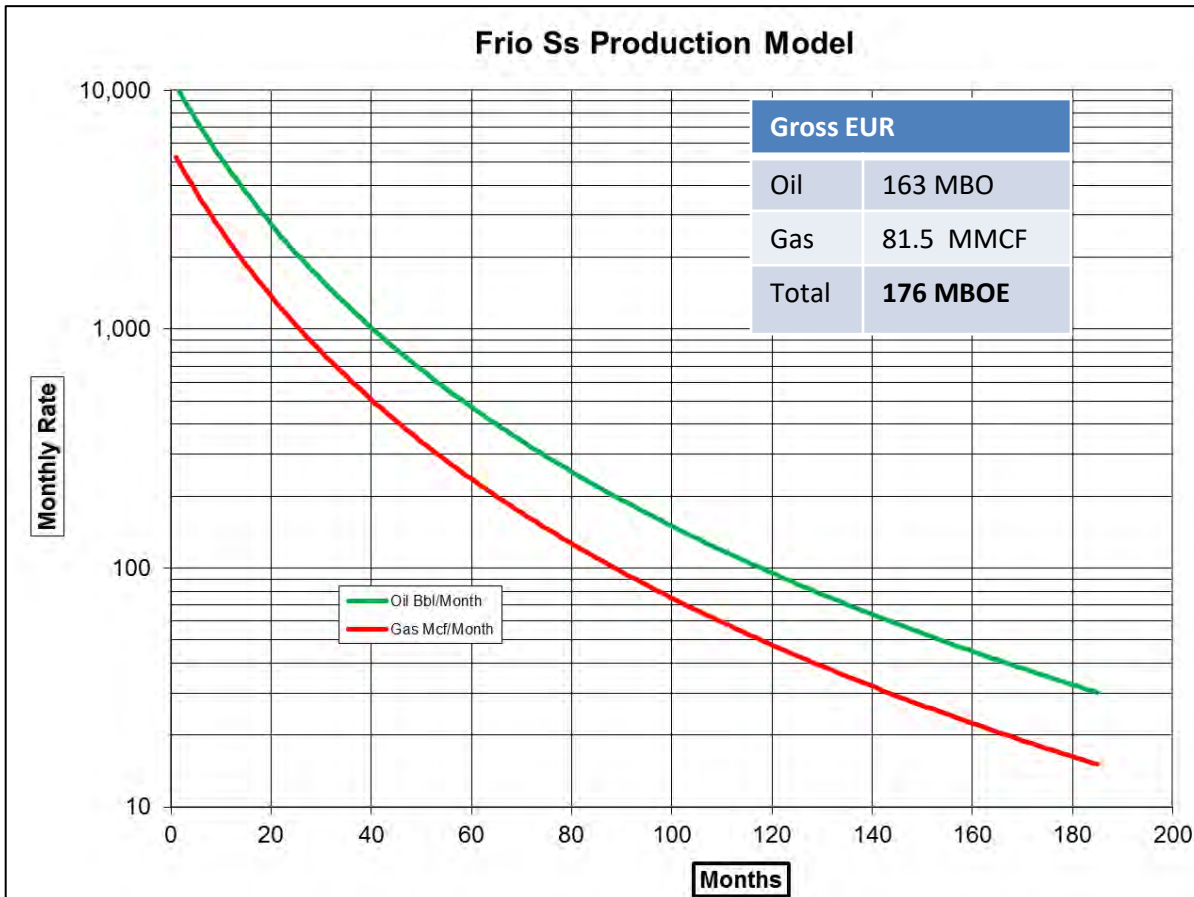
07/01 - 07/03/14

{Gas Rate, Oil Rate, Water Rate, WHP, Csg Press, Choke Size} vs Real Time



FRIO SINGLE WELL ECONOMICS

D&C \$M	PV10 \$M	Payout Years	IRR	ROI	Reserves MBO	Reserves MBOE
\$3,000	\$1,920	1.04	94%	1.8	130	141



Effective Date	1/1/2018
Spud-to-Comp	30 days
Spud-to-Prod	60 days
WI	100 %
NRI	80 %
IP	360 BOPD
	180 MCFD
	0 BNGL/D
b factor	0.3
D initial	60 %
D final	7 %
Q final	1 BOPD
GOR	500 SCF/STB
WOR	1 Bbl/bbl
BTU	1000 BTU/SCF
Gas Shrinkage	3 %
EUR	163 MBO
Well Cost	3.0 \$MM
Opex	12,000 \$/month
Severance Tax	12.5 %
Ad Valorem	2 %
Price Oil	\$50 \$/Bbl
Price Gas	\$3 \$/Mcf

Conclusion

- **Drill ready prospect – 1000 acres with 3-4 potential Frio locations**
- **Suggested terms: \$200/ac, 22.5% royalty interest, 1000 ac minimum lease with lease costs offset by production if well is drilled in the 1st year of the lease**
- **Visit Weyerhaeuser booth #4129 for more information**
- **Thank you!**