East Horseshoe Gallup Unit
NW San Juan Basin, New Mexico

Mancos Oil Development
Horizontal Drilling Opportunity

Four Existing Commercial
Horizontal Gallup Oil Wells

- Undivided unit contains 4,763 acres, all HBU
- 4,281 acres committed to unit, 100% Bayless
- Oil-saturated, laterally continuous, naturally fractured sandstone reservoir
- Gallup Pay target at 4200 feet
- Gathering for high BTU gas in place

Farmout Terms:
- Earn every 40 acres penetrated by a horizontal earning well
- Earn entirety of position after drilling three earning wells
- Bayless retains ORRI, can convert to 25% WI at payout of earning wells
- After three earning wells are drilled, Bayless elects to move forward with a 25% WI or continue with ORRI
- Bayless will deliver an 80% NRI

For more information, please stop by Booth #4436 at NAPE, or contact:

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