

MERCER CAPITAL

2024 Energy Purchase Price Allocation Study

October 2024



BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

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Industry Segments

- Exploration & Production
- Oilfield Services
- Midstream
- Refining & Marketing

OIL AND GAS TEAM



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Oil and Gas Industry Resources

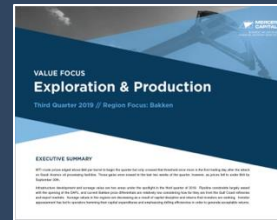
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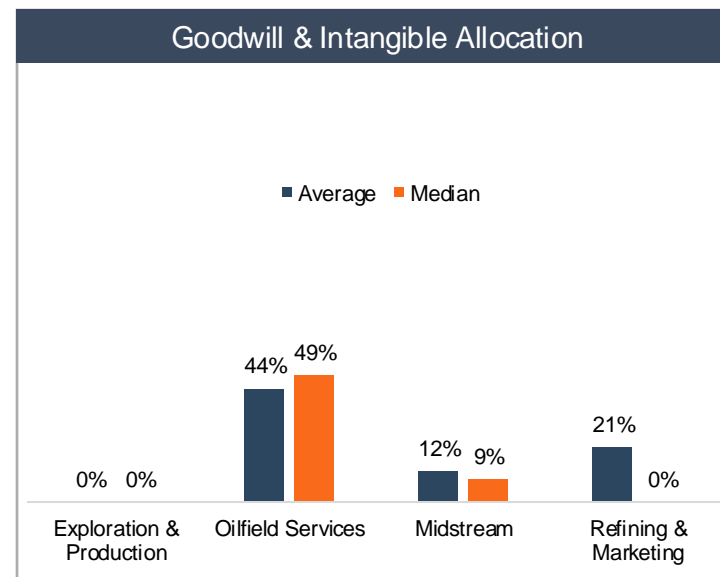
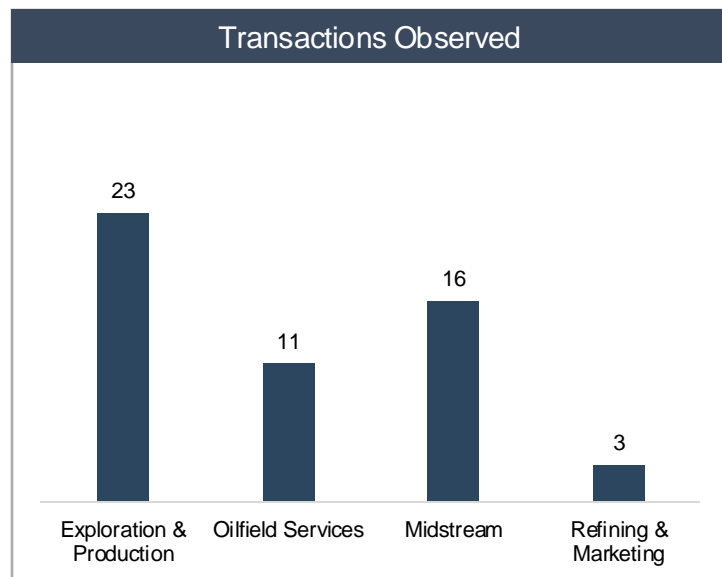


This newsletter provides an overview of the industry through supply and demand analysis, commodity pricing, and public market performance. In addition, each quarter focuses on a different region (Eagle Ford, Permian, Haynesville, and Appalachia).

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Summary

- Intangibles comprise around 90% of S&P's total market value according to a 2020 study by Ocean Tomo. Prior analysis has suggested intangible concentration for the energy sector is generally under half of that and this year's study corroborates this.
- Across the four subsectors analyzed, total deal count decreased in 2023 based on transactions recorded with a purchase price allocation in the reviewed companies' annual filings. Three of the four subsectors analyzed declined in the number of transactions, with the Midstream subsector recording the same count as last year. Exploration and production deal volume saw a slight dip with 23 deals, which is two less than the 25 in 2022. Refining and marketing saw the largest relative decrease with only three deals this year, compared to the seven in 2022. Oilfield services 2023 deal volume also fell, with five less deals than the 16 in 2022.



Exploration & Production

Key Themes

Exploration & Production

- Consistent with historical trends, over 90% of Fair Value was encapsulated in PP&E – specifically dominated by oil & gas reserve values (Level 3 Inputs).⁽¹⁾
 - All 23 transactions reported reserve values
 - 19 of 23 transactions reported proved (PDP, PDNP, & PUD) reserves
 - 16 of the 19 transactions reporting proved reserves also reported a split between proved (PDP, PDNP, & PUD) and unproved (Probable, Possible)
 - Wherein a split was recorded, more reserves were proved vs. unproved. The average was 82% of purchase consideration for proved vs. 15% unproved.
- Six transactions recorded PP&E other than reserves
- None of the 23 transactions had intangibles (compared to one transaction in 2022)

(1): *Fair Value* and *Level 3 Input* are valuation and accounting terms, as defined under U.S. GAAP in ASC 820.

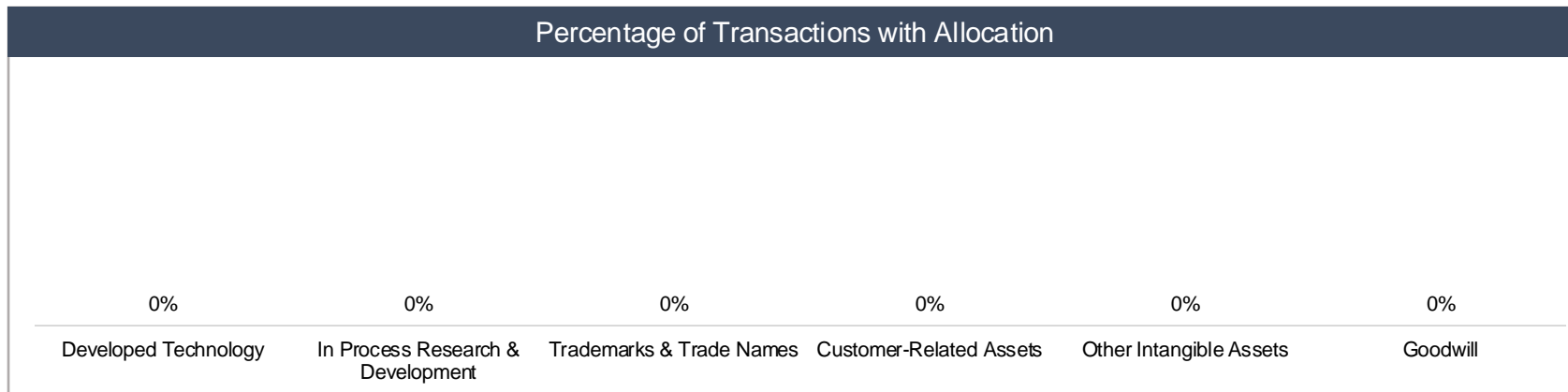
Transactions

Exploration & Production

Target	Acquirer	Announce Date	Basin / Play	Purchase Consideration	Identifiable Intangibles					
					Developed Technology	In Process Research & Development	Trademarks & Trade Names	Customer-Related Assets	Other Intangible Assets	Goodwill
Dollar Allocation (\$000s)										
Seven Portfolio Companies of EnCap Investments, LP	Ovintiv, Inc.	4/3/2023	Permian	\$4,895,000	-	-	-	-	-	-
50% Working Interest in Surmont Project	Conoco Phillips	5/26/2023	Athabasca	3,129,000	-	-	-	-	-	-
20,000 Net Acres in Midland Basin	SM Energy Company	6/21/2023	Permian	109,900	-	-	-	-	-	-
Assets from MPDC and Collegiate Midstream	Northern Oil and Gas	10/19/2023	Permian	320,395	-	-	-	-	-	-
30% Undivided Interest in Assets of Forge Energy II Delaware LLC	Northern Oil and Gas Inc.	5/15/2023	Permian	168,817	-	-	-	-	-	-
Certain Assets of Novo Oil & Gas Holdings, LLC	Northern Oil and Gas Inc.	6/15/2023	Permian	474,417	-	-	-	-	-	-
Advance Energy Partners Holdings, LLC	Matador Resources Company	1/24/2023	Permian	1,775,055	-	-	-	-	-	-
Henry Resources , LLC and related entities	Vital Energy	9/13/2023	Permian	454,646	-	-	-	-	-	-
Working Interests in Certain Producing Assets	Vital Energy	9/13/2023	Permian	56,400	-	-	-	-	-	-
Tall City Property	Vital Energy	9/13/2023	Permian	397,300	-	-	-	-	-	-
Assets from Maple Energy Holdings, LLC	Vital Energy	9/13/2023	Permian	181,800	-	-	-	-	-	-
Assets from Forge Energy II Delaware, LLC	Vital Energy	5/12/2023	Permian	412,900	-	-	-	-	-	-
Assets from Driftwood Energy Operating, LLC	Vital Energy	2/14/2023	Permian	207,100	-	-	-	-	-	-
Lario Permian LLC	Diamondback Energy	11/15/2023	Permian	1,484,000	-	-	-	-	-	-
Earthstone Energy	Permian Resources	8/21/2023	Permian	5,803,824	-	-	-	-	-	-
Leasehold and Royalty Acreage in Lea County, New Mexico	Permian Resources	1/17/2023	Permian	130,100	-	-	-	-	-	-
Hibernia Energy III, LLC and Hibernia Energy III-B, LLC	Civitas Resources Inc.	6/20/2021	Permian	2,406,682	-	-	-	-	-	-
"Tap Rock" Portfolio Companies of NGP	Civitas Resources Inc.	6/20/2021	Permian	2,810,088	-	-	-	-	-	-
Macpherson Energy Corporation	Berry Corporation	7/17/2023	San Joaquin	95,153	-	-	-	-	-	-
EnVen Energy Corporation	Talos Energy Inc.	9/22/2022	Offshore GOM	1,863,414	-	-	-	-	-	-
Approximately 62,000 Net Acres from XTO Energy Inc	Chord Energy	5/22/2023	Williston	369,516	-	-	-	-	-	-
Non-Operating Working Interests from Comanche Holdings	Crescent Energy Company	5/2/2023	Eagle Ford	617,690	-	-	-	-	-	-
Operated Assets from Undisclosed Seller	Crescent Energy Company	9/5/2023	Eagle Ford	249,392	-	-	-	-	-	-
Count				23	-	-	-	-	-	-
Percentage				na	-	-	-	-	-	-
Average				\$1,235,330	-	-	-	-	-	-
Median				\$412,900	-	-	-	-	-	-

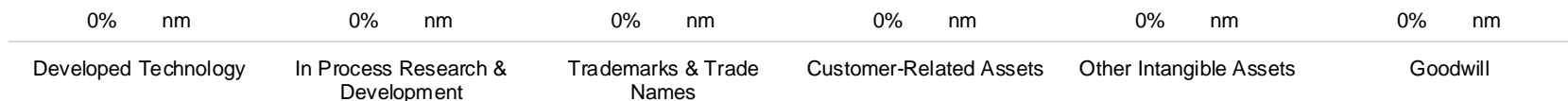
Intangible Allocations

Exploration & Production



Average / Median Allocation of Total Intangibles

■ Average ■ Median



PP&E and Reserves Detail

Exploration & Production

Target	Acquirer	Basin / Play	Purchase Consideration	Proved Reserves	Unproved Reserves	Other Reserves	Total Reserves	Other PP&E
Dollar Allocation (\$000s)								
Seven Portfolio Companies of EnCap Investments, LP	Ovintiv, Inc.	Permian	\$4,895,000	\$3,727,000	\$933,000	-	\$4,660,000	\$17,000
50% Working Interest in Surmont Project	Conoco Phillips	Athabasca	3,129,000	2,929,000	200,000	-	3,129,000	-
20,000 Net Acres in Midland Basin	SM Energy Company	Permian	109,900	-	-	109,900	109,900	-
Assets from MPDC and Collegiate Midstream	Northern Oil and Gas	Permian	320,395	320,395	-	-	320,395	-
30% Undivided Interest in Assets of Forge Energy II Delaware LLC	Northern Oil and Gas Inc.	Permian	168,817	164,925	3,892	-	168,817	-
Certain Assets of Novo Oil & Gas Holdings, LLC	Northern Oil and Gas Inc.	Permian	474,417	474,417	-	-	474,417	-
Advance Energy Partners Holdings, LLC	Matador Resources Company	Permian	1,775,055	1,418,668	213,528	-	1,632,196	63,644
Henry Resources , LLC and related entities	Vital Energy	Permian	454,646	381,739	69,541	-	451,280	-
Working Interests in Certain Producing Assets	Vital Energy	Permian	56,400	53,100	3,300	-	56,400	-
Tall City Property	Vital Energy	Permian	397,300	335,900	58,700	-	394,600	-
Assets from Maple Energy Holdings, LLC	Vital Energy	Permian	181,800	150,100	31,700	-	181,800	-
Assets from Forge Energy II Delaware, LLC	Vital Energy	Permian	412,900	278,500	125,500	-	404,000	-
Assets from Driftwood Energy Operating, LLC	Vital Energy	Permian	207,100	207,100	-	-	207,100	-
Lario Permian LLC	Diamondback Energy	Permian	1,484,000	924,000	536,000	-	1,460,000	22,000
Earthstone Energy	Permian Resources	Permian	5,803,824	4,498,192	969,989	-	5,468,181	1,967
Leasehold and Royalty Acreage in Lea County, New Mexico	Permian Resources	Permian	130,100	60,800	59,500	-	120,300	-
Hibernia Energy III, LLC and Hibernia Energy III-B, LLC	Civitas Resources Inc.	Permian	2,406,682	2,135,085	115,802	-	2,250,887	502
"Tap Rock" Portfolio Companies of NGP	Civitas Resources Inc.	Permian	2,810,088	2,335,333	298,859	-	2,634,192	12,827
Macpherson Energy Corporation	Berry Corporation	San Joaquin	95,153	-	-	62,450	62,450	-
EnVen Energy Corporation	Talos Energy Inc.	Offshore GOM	1,863,414	-	-	1,455,347	1,455,347	-
Approximately 62,000 Net Acres from XTO Energy Inc	Chord Energy	Williston	369,516	-	-	367,672	367,672	-
Non-Operating Working Interests from Comanche Holdings	Crescent Energy Company	Eagle Ford	617,690	595,025	22,310	-	617,335	-
Operated Assets from Undisclosed Seller	Crescent Energy Company	Eagle Ford	249,392	239,573	9,819	-	249,392	-
Count			23	19	16	4	23	6
Percentage			na	83%	70%	17%	100%	26%
Average			\$1,235,330	\$922,994	\$158,758	\$86,755	\$1,168,507	\$5,128
Median			\$412,900	\$320,395	\$31,700	-	\$404,000	-

Note: Not all transactions included a breakout of reserves and other PP&E. If only PP&E was listed, we have assumed 100% of this value is attributable to reserves.

PP&E and Reserves Detail (Continued)

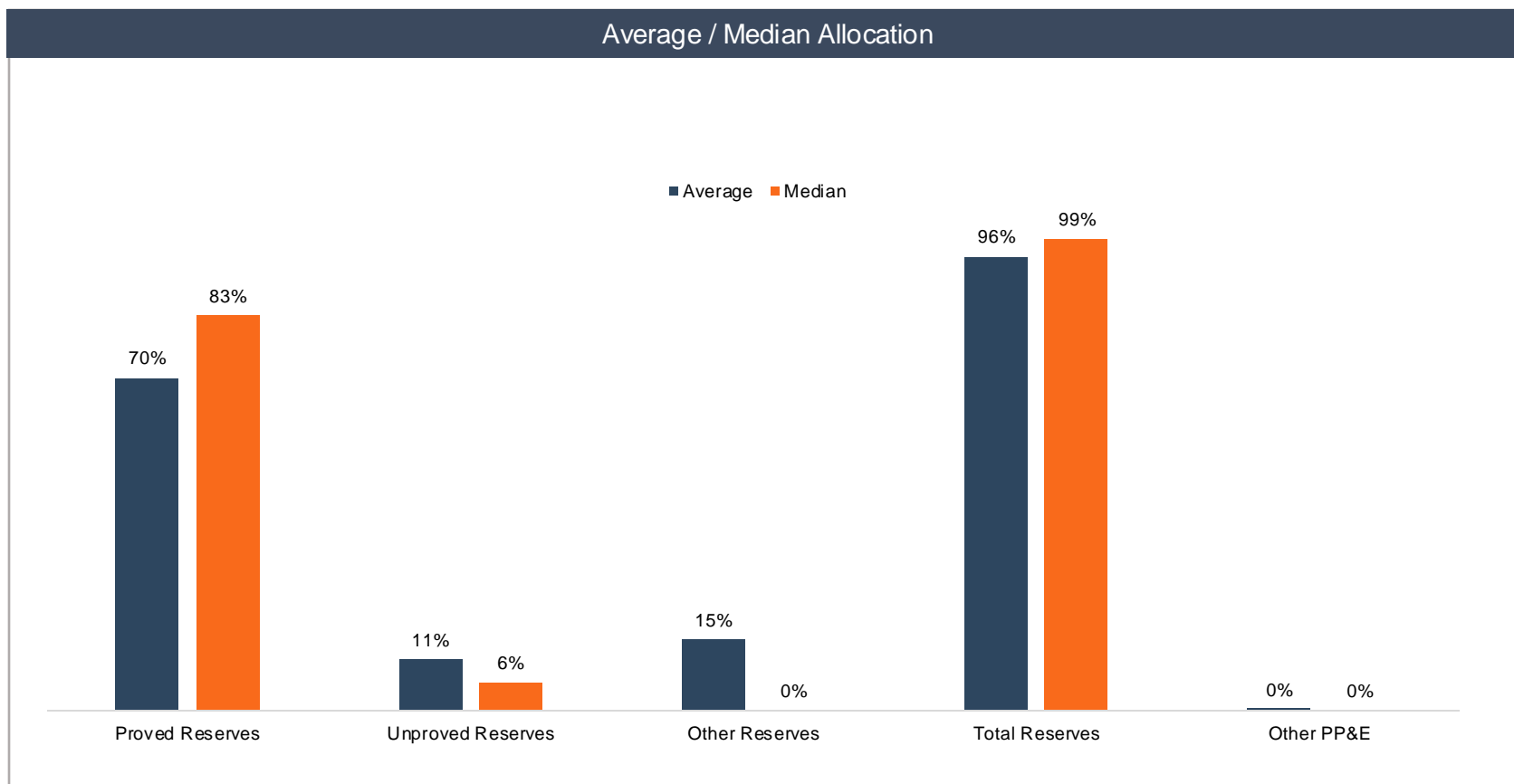
Exploration & Production

Target	Acquirer	Basin / Play	Purchase Consideration	Proved Reserves	Unproved Reserves	Other Reserves	Total Reserves	Other PP&E
Percentage Allocation								
Seven Portfolio Companies of EnCap Investments, LP	Ovintiv, Inc.	Permian	\$4,895,000	76%	19%	-	95%	0%
50% Working Interest in Surmont Project	Conoco Phillips	Athabasca	3,129,000	94%	6%	-	100%	-
20,000 Net Acres in Midland Basin	SM Energy Company	Permian	109,900	-	-	100%	100%	-
Assets from MPDC and Collegiate Midstream	Northern Oil and Gas	Permian	320,395	100%	-	-	100%	-
30% Undivided Interest in Assets of Forge Energy II Delaware LLC	Northern Oil and Gas Inc.	Permian	168,817	98%	2%	-	100%	-
Certain Assets of Novo Oil & Gas Holdings, LLC	Northern Oil and Gas Inc.	Permian	474,417	100%	-	-	100%	-
Advance Energy Partners Holdings, LLC	Matador Resources Company	Permian	1,775,055	80%	12%	-	92%	4%
Henry Resources , LLC and related entities	Vital Energy	Permian	454,646	84%	15%	-	99%	-
Working Interests in Certain Producing Assets	Vital Energy	Permian	56,400	94%	6%	-	100%	-
Tall City Property	Vital Energy	Permian	397,300	85%	15%	-	99%	-
Assets from Maple Energy Holdings, LLC	Vital Energy	Permian	181,800	83%	17%	-	100%	-
Assets from Forge Energy II Delaware, LLC	Vital Energy	Permian	412,900	67%	30%	-	98%	-
Assets from Driftwood Energy Operating, LLC	Vital Energy	Permian	207,100	100%	-	-	100%	-
Lario Permian LLC	Diamondback Energy	Permian	1,484,000	62%	36%	-	98%	1%
Earthstone Energy	Permian Resources	Permian	5,803,824	78%	17%	-	94%	0%
Leasehold and Royalty Acreage in Lea County, New Mexico	Permian Resources	Permian	130,100	47%	46%	-	92%	-
Hibernia Energy III, LLC and Hibernia Energy III-B, LLC	Civitas Resources Inc.	Permian	2,406,682	89%	5%	-	94%	0%
"Tap Rock" Portfolio Companies of NGP	Civitas Resources Inc.	Permian	2,810,088	83%	11%	-	94%	0%
Macpherson Energy Corporation	Berry Corporation	San Joaquin	95,153	-	-	66%	66%	-
EnVen Energy Corporation	Talos Energy Inc.	Offshore GOM	1,863,414	-	-	78%	78%	-
Approximately 62,000 Net Acres from XTO Energy Inc	Chord Energy	Williston	369,516	-	-	100%	100%	-
Non-Operating Working Interests from Comanche Holdings	Crescent Energy Company	Eagle Ford	617,690	96%	4%	-	100%	-
Operated Assets from Undisclosed Seller	Crescent Energy Company	Eagle Ford	249,392	96%	4%	-	100%	-
Average				70%	11%	15%	96%	0%
Median				83%	6%	-	99%	-

Note: Not all transactions included a breakout of reserves and other PP&E. If only PP&E was listed, we have assumed 100% of this value is attributable to reserves.

PP&E and Reserves Detail *(Continued)*

Exploration & Production



Note: Not all transactions included a breakout of reserves and other PP&E. If only PP&E was listed, we have assumed 100% of this value is attributable to reserves.

Oilfield Services

Key Themes

Oilfield Services

- Oilfield Services (OFS) purchase price allocations are typically much more heavily weighted toward goodwill and other intangible assets, as compared to the tangible asset-intensive E&P and Midstream industries. Some of our prior PPA studies showed average intangible assets' contribution to purchase prices in the 40% to 70% range, before plunging to 21% in our 2021 study, 18% in our 2022 study, and 22% in our 2023 study. Departing from these recent trends, intangible assets averaged 44% of total purchase prices in this 2024 study.
- Goodwill was recorded in 82% of OFS transactions, compared to 44% in last year's study. Both customer-related assets and trademarks/tradenames were recorded in 64% of transactions, followed by developed technology in 55% of transactions. Other intangible assets (non-specified) were recorded in 18% of transactions.
- On average, goodwill comprised 57% of the average purchase price allocated to intangible assets, compared to 30% in last year's study. While the percentage of OFS transactions recording customer-related assets increased this year, the average share of the total allocations to intangible values was only 23%, compared to 50% in last year's study. Developed technology ranked third in average allocation at 12%, followed by other intangible assets at 4%, and trademarks and tradenames at 3%.

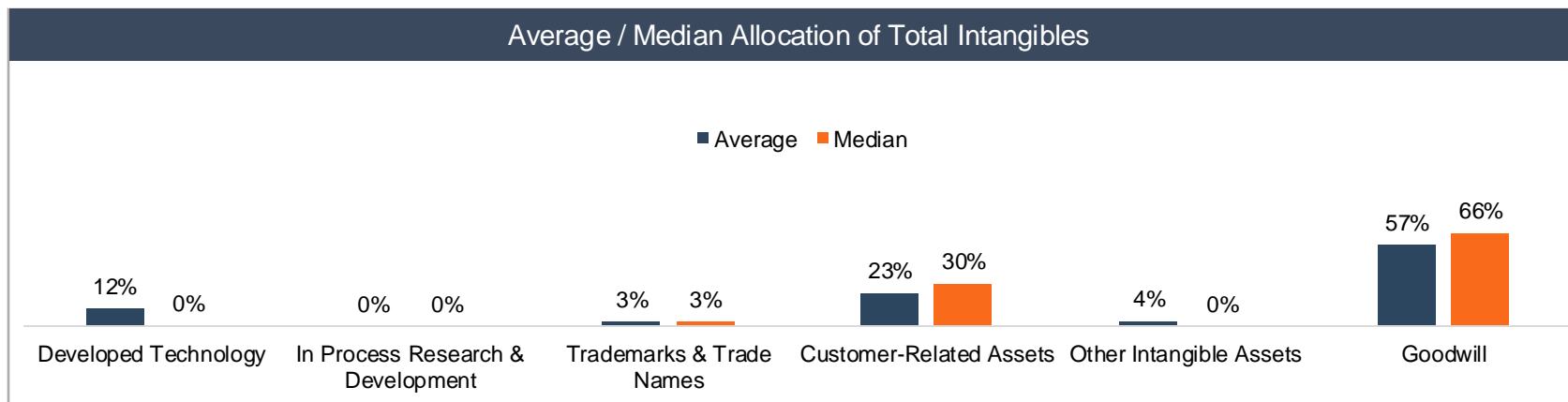
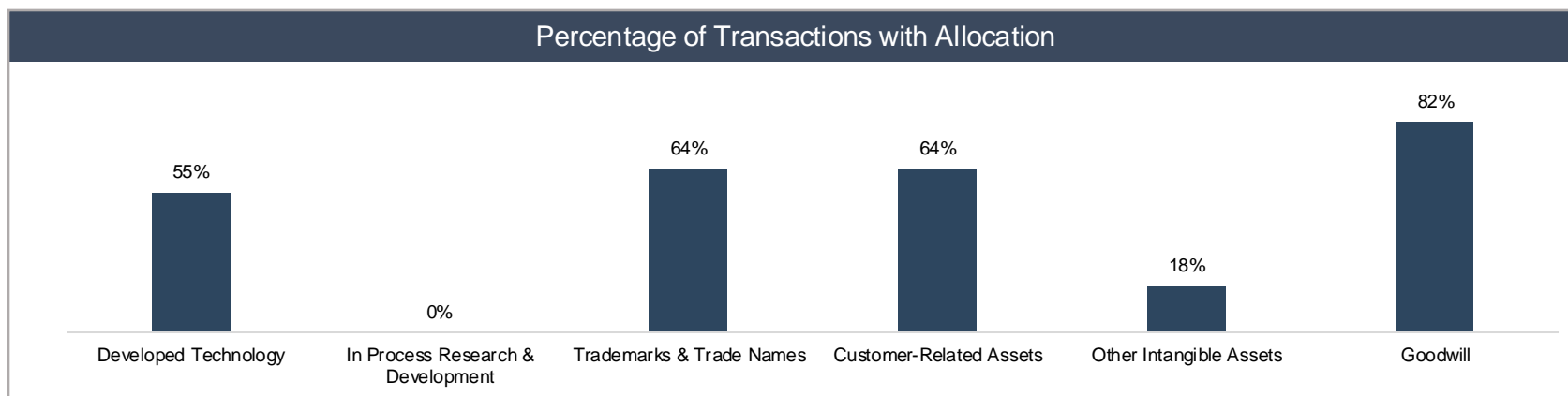
Transactions

Oilfield Services

Target	Acquirer	Announce Date	Target Subsector	Purchase Consideration	Identifiable Intangibles					Goodwill
					Developed Technology	In Process Research & Development	Trademarks & Trade Names	Customer-Related Assets	Other Intangible Assets	
Dollar Allocation (\$000s)										
Ulterra Drilling Technologies, L.P.	Patterson-UTI Energy, Inc.	7/5/2023	Drilling Services	\$1,057,475	\$52,000	-	\$16,000	\$245,000	-	\$457,616
NexTier Oilfield Solutions Inc.	Patterson-UTI Energy, Inc.	6/15/2023	Completion & Production Services	3,478,181	143,000	0	85,000	540,000	0	922,125
Spinnaker Oilwell Services, LLC	RPC, Inc.	6/30/2023	Plugging & Abandonment	85,052	0	0	3,200	10,000	0	18,674
OneSubsea	Schlumberger (SLB) Limited	8/30/2022	Offshore Support Services	2,356,000	0	0	0	0	390,000	966,000
Par Five Energy Services LLC	ProPetro Holding Corp.	12/4/2023	Pressure Pumping Services	26,208	0	0	0	0	0	0
Siren Energy & Logistics, LLC	Liberty Energy Inc.	1/3/2023	Natural Gas Compression and Logistics Services	81,200	0	0	0	0	0	42,000
FlexSteel Holdings, Inc.	Cactus, Inc.	1/3/2023	Pipeline Services and Manufacturing	765,466	77,000	0	16,000	100,300	7,000	195,204
Solstad Vessels	Tidewater Inc.	3/7/2023	Offshore Support Vessel Services	602,891	0	0	0	0	0	0
PRT Offshore	Expro Group Holdings	8/28/2023	Offshore Well Intervention & Completion Services	137,283	265	0	1,627	32,048	0	18,556
DeltaTek Oil Tools Limited	Expro Group Holdings	2/9/2023	Well Cementing and Downhole Tools	22,255	8,237	0	257	2,571	0	8,151
Great North Wellhead and Subsidiaries	DRIL-QUIP, INC.	7/31/2023	Wellhead Products and Completion Services	114,498	3,600	0	4,000	14,700	0	16,759
Count				11	6	-	7	7	2	9
Percentage				na	55%	-	64%	64%	18%	82%
Average				\$793,319	\$25,827	-	\$11,462	\$85,874	\$36,091	\$240,462
Median				\$137,283	\$265	-	\$1,627	\$10,000	-	\$18,674
Percentage Allocation										
Ulterra Drilling Technologies, L.P.	Patterson-UTI Energy, Inc.	7/5/2023	Drilling Services	\$1,057,475	5%	-	2%	23%	-	43%
NexTier Oilfield Solutions Inc.	Patterson-UTI Energy, Inc.	6/15/2023	Completion & Production Services	3,478,181	4%	-	2%	16%	-	27%
Spinnaker Oilwell Services, LLC	RPC, Inc.	6/30/2023	Plugging & Abandonment	85,052	-	-	4%	12%	-	22%
OneSubsea	Schlumberger (SLB) Limited	8/30/2022	Offshore Support Services	2,356,000	-	-	-	-	17%	41%
Par Five Energy Services LLC	ProPetro Holding Corp.	12/4/2023	Pressure Pumping Services	26,208	-	-	-	-	-	-
Siren Energy & Logistics, LLC	Liberty Energy Inc.	1/3/2023	Natural Gas Compression and Logistics Services	81,200	-	-	-	-	-	52%
FlexSteel Holdings, Inc.	Cactus, Inc.	1/3/2023	Pipeline Services and Manufacturing	765,466	10%	-	2%	13%	1%	26%
Solstad Vessels	Tidewater Inc.	3/7/2023	Offshore Support Vessel Services	602,891	-	-	-	-	-	-
PRT Offshore	Expro Group Holdings	8/28/2023	Offshore Well Intervention & Completion Services	137,283	0%	-	1%	23%	-	14%
DeltaTek Oil Tools Limited	Expro Group Holdings	2/9/2023	Well Cementing and Downhole Tools	22,255	37%	-	1%	12%	-	37%
Great North Wellhead and Subsidiaries	DRIL-QUIP, INC.	7/31/2023	Wellhead Products and Completion Services	114,498	3%	-	3%	13%	-	15%
Average					5%	-	1%	10%	2%	25%
Median					0%	-	1%	12%	-	26%

Intangible Allocations

Oilfield Services



Midstream

Key Themes

Midstream

- The sixteen midstream transactions occurred throughout the value chain – generally, to strengthen and support existing assets, apart from ONEOK Inc.’s acquisition of Magellan Midstream Partners for total purchase consideration of \$19.2 billion, which included various pipelines, terminals, and storage assets.
 - Seven transactions occurred in the gathering and/or processing space
 - Five transactions were primarily for pipelines and related assets
 - One transaction was related to terminals (Gibson Energy acquisition of Gateway Terminal)
 - One transaction was for upstream oil and gas assets: Kinder Morgan acquisition of interest in the Diamond M Field (enhanced oil recovery / CO2 flooding)
 - One transaction was related to soda ash assets (Genesis Energy acquisition of American National Soda Ash Corporation)
- Thirteen of the sixteen midstream transactions included intangible assets
- Of the thirteen transactions that reported intangible assets, two did not report any identifiable intangible assets
- Eight transactions reported Goodwill
- Seven transactions specified values for Customer-Related Assets
- Five transactions included the catch-all “Other Intangible Assets”

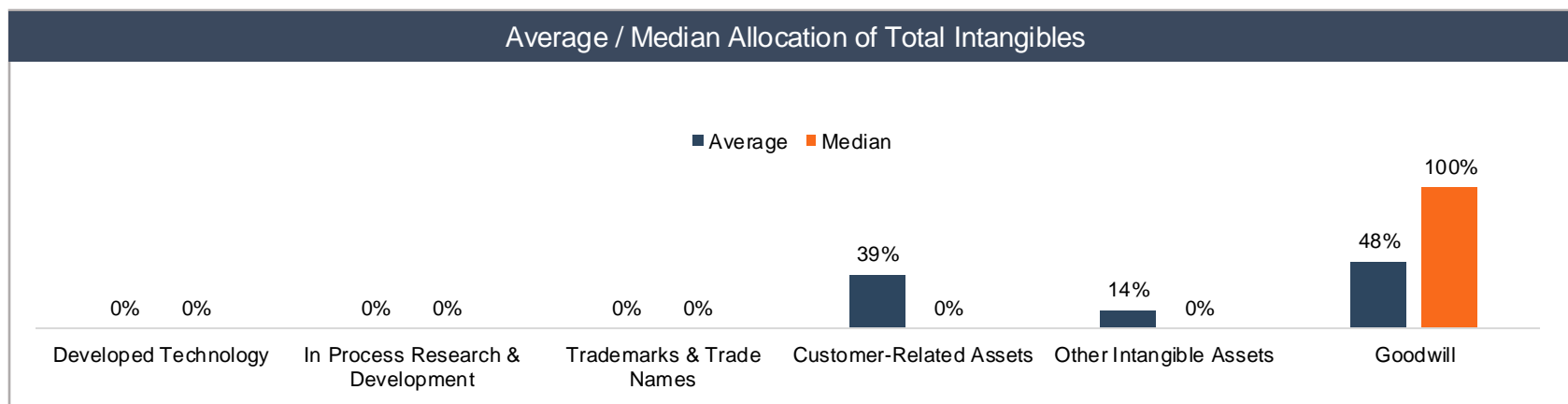
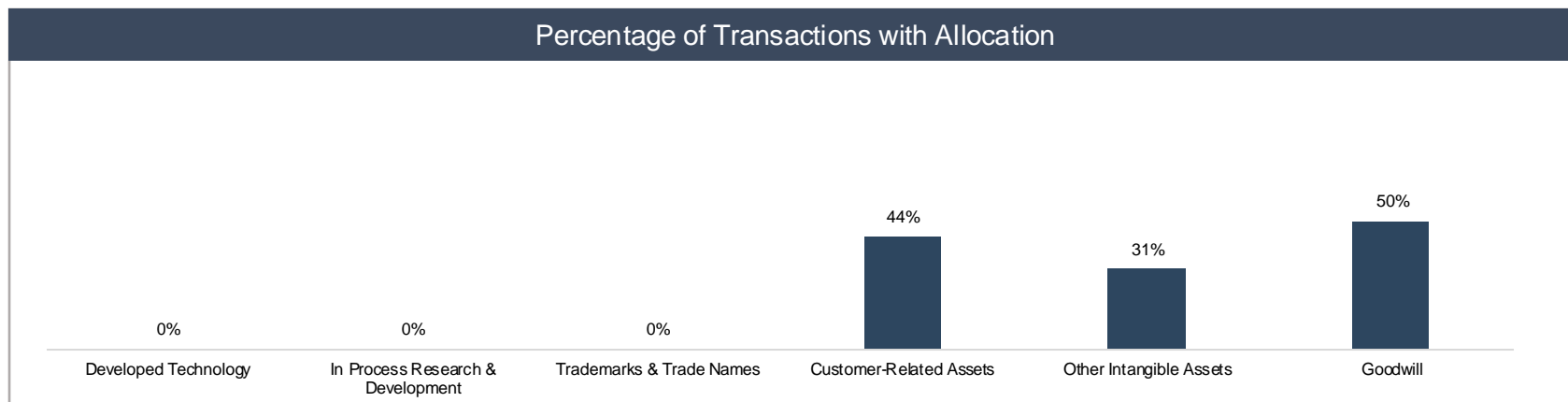
Transactions

Midstream

Target	Acquirer	Announce Date	Target Subsector	Purchase Consideration	Identifiable Intangibles					Goodwill
					Developed Technology	In Process Research & Development	Trademarks & Trade Names	Customer-Related Assets	Other Intangible Assets	
Dollar Allocation (\$000s)										
Magellan Midstream Partners, LP	ONEOK, Inc.	5/14/2023	Various	\$19,200,000	\$0	\$0	\$0	\$1,124,000	\$116,000	\$4,424,000
FortisBC, Inc.	Enbridge Inc.	5/1/2023	Pipeline and Storage	450,135	0	0	0	0	0	33,559
Tres Palacios Holdings	Enbridge Inc.	3/1/2023	Pipeline and Storage	588,000	0	0	0	0	0	0
Cureton Midstream, LLC	The Williams Companies, Inc.	11/2/2023	Gathering & Processing	587,000	0	0	0	117,000	0	6,000
Rocky Mountain Midstream, LLC	The Williams Companies, Inc.	11/2/2023	Gathering & Processing	1,223,000	0	0	0	61,000	0	57,000
MountainWest	The Williams Companies, Inc.	12/15/2022	Pipeline and Storage	1,554,000	0	0	0	0	0	400,000
Crestwood	Energy Transfer, Inc.	8/16/2023	Gathering & Processing	8,157	0	0	0	0	1,139	1,455
Lotus Midstream	Energy Transfer, Inc.	8/16/2023	Pipeline	1,551,000	0	0	0	0	75,000	0
STX Midstream	Kinder Morgan, Inc.	11/6/2023	Pipelines	1,948,000	0	0	0	357,000	0	156,000
Diamond M Field from Parallel Petroleum LLC	Kinder Morgan	6/1/2023	C02 Flooding / Enhanced Oil Recovery	25,000	0	0	0	0	0	0
MarkWest Toriñado GP, LLC	MPLX LP	12/15/2023	Gathering & Processing	690,000	0	0	0	77,000	0	0
Remaining 43% Interest in OMOG JV Holdings, LLC	Plains All American Pipeline LP	7/28/2023	Gathering Assets	532,000	0	0	0	34,000	0	0
Meritage Midstream Services II, LLC	Western Midstream Partners LP	9/5/2023	Gathering & Processing	1,006,855	0	0	0	0	0	0
Gateway Terminal LLC	Gibson Energy Inc.	6/15/2023	Terminal & Storage	1,118,301	0	0	0	77,302	0	37,078
Midstream Infrastructure Assets	Kinetik Holdings Inc.	March 2023	Gathering & Processing	125,000	0	0	0	0	3,150	0
American National Soda Ash Corporation	Genesis Energy LP	1/1/2023	Assets related to Alkali Business	382,454	0	0	0	0	14,992	0
Count				16	-	-	-	7	5	8
Percentage				na	-	-	-	44%	31%	50%
Average				\$1,936,806	-	-	-	\$115,456	\$13,143	\$319,693
Median				\$639,000	-	-	-	-	-	\$728
Percentage Allocation										
Magellan Midstream Partners, LP	ONEOK, Inc.	5/14/2023	Various	\$19,200,000	-	-	-	6%	1%	23%
FortisBC, Inc.	Enbridge Inc.	5/1/2023	Pipeline and Storage	450,135	-	-	-	-	-	7%
Tres Palacios Holdings	Enbridge Inc.	3/1/2023	Pipeline and Storage	588,000	-	-	-	-	-	-
Cureton Midstream, LLC	The Williams Companies, Inc.	11/2/2023	Gathering & Processing	587,000	-	-	-	20%	-	1%
Rocky Mountain Midstream, LLC	The Williams Companies, Inc.	11/2/2023	Gathering & Processing	1,223,000	-	-	-	5%	-	5%
MountainWest	The Williams Companies, Inc.	12/15/2022	Pipeline and Storage	1,554,000	-	-	-	-	-	26%
Crestwood	Energy Transfer, Inc.	8/16/2023	Gathering & Processing	8,157	-	-	-	-	14%	18%
Lotus Midstream	Energy Transfer, Inc.	8/16/2023	Pipeline	1,551,000	-	-	-	-	5%	-
STX Midstream	Kinder Morgan, Inc.	11/6/2023	Pipelines	1,948,000	-	-	-	18%	-	8%
Diamond M Field from Parallel Petroleum LLC	Kinder Morgan	6/1/2023	C02 Flooding / Enhanced Oil Recovery	25,000	-	-	-	-	-	-
MarkWest Toriñado GP, LLC	MPLX LP	12/15/2023	Gathering & Processing	690,000	-	-	-	11%	-	-
Remaining 43% Interest in OMOG JV Holdings, LLC	Plains All American Pipeline LP	7/28/2023	Gathering Assets	532,000	-	-	-	6%	-	-
Meritage Midstream Services II, LLC	Western Midstream Partners LP	9/5/2023	Gathering & Processing	1,006,855	-	-	-	-	-	-
Gateway Terminal LLC	Gibson Energy Inc.	6/15/2023	Terminal & Storage	1,118,301	-	-	-	7%	-	3%
Midstream Infrastructure Assets	Kinetik Holdings Inc.	March 2023	Gathering & Processing	125,000	-	-	-	-	3%	-
American National Soda Ash Corporation	Genesis Energy LP	1/1/2023	Assets related to Alkali Business	382,454	-	-	-	-	4%	-
Average					-	-	-	5%	2%	6%
Median					-	-	-	-	-	1%

Intangible Allocations

Midstream



Refining & Marketing

Key Themes

Refining & Marketing

- The three downstream transactions were limited to targets within the subsector, a divergence from recent years' study which had included many transactions targeting midstream and E&P assets
- Two of the three transactions primarily focused on refining assets such as for crude and biofuels
 - Parr Pacific Holdings acquired a high-conversion, complex refinery in Billings, Montana from Exxon Mobil that processes lower-cost crude from Western Canada and the U.S. Rocky Mountain region. The acquisition closed in mid-2023 and included various assets related to the Billings refinery such as pipelines and terminals
 - Green Plains Inc. acquired an ethanol plant from an undisclosed seller
- One transaction was for logistics assets purchased to support marketing activities of renewable fuels produced at an existing facility (Phillips 66 acquisition of renewable fuels marketing business)
- Of the three downstream transactions, only one recorded intangible assets
 - The Phillips 66 acquisition specified values for customer-related Assets and Goodwill (63% of total consideration)

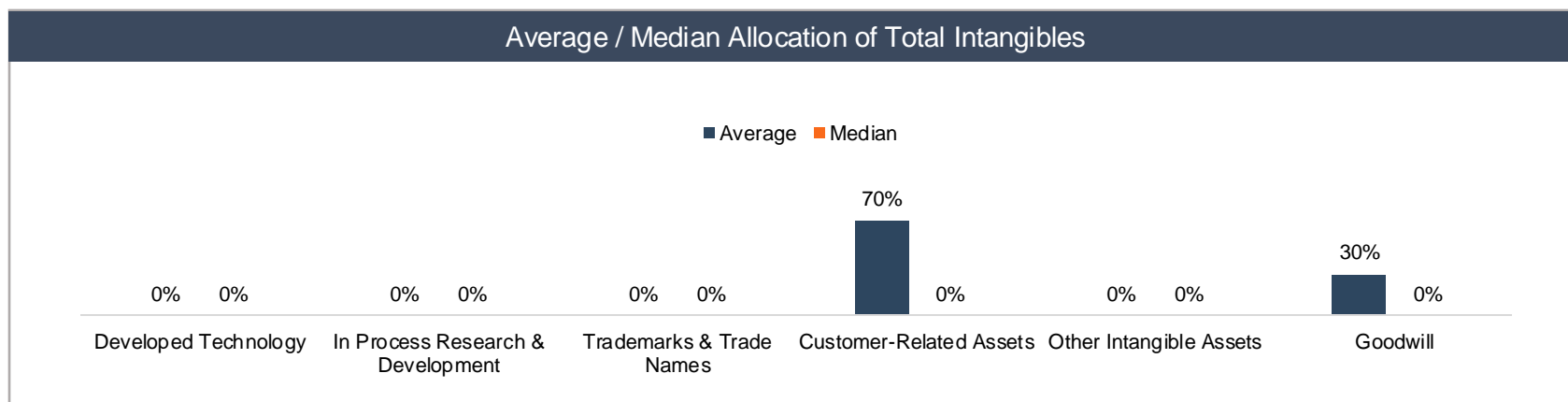
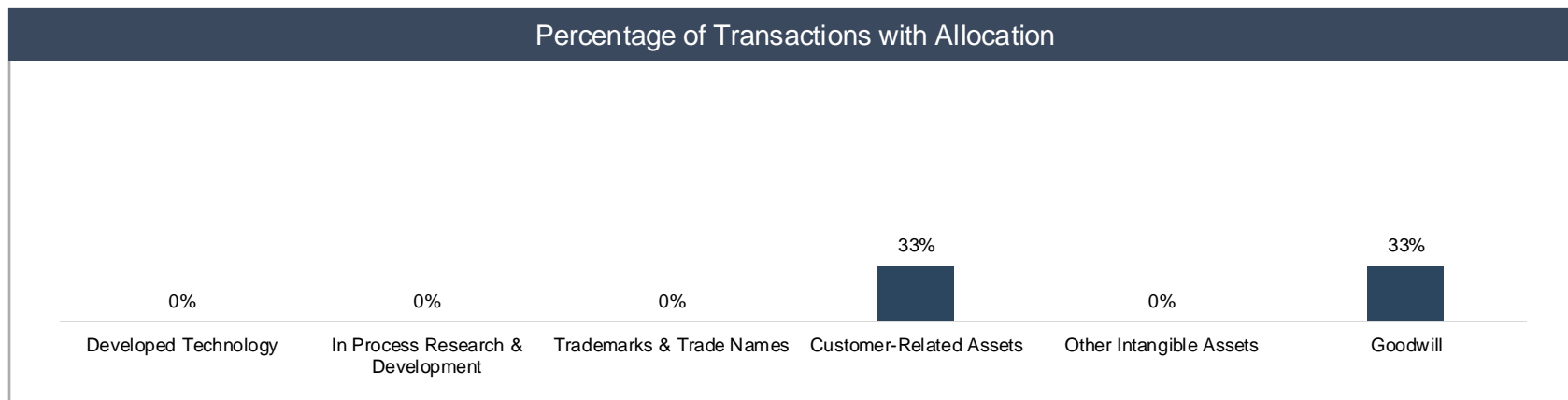
Transactions

Refining & Marketing

Target	Acquirer	Announce Date	Target Subsector	Purchase Consideration	Identifiable Intangibles					Goodwill
					Developed Technology	In Process Research & Development	Trademarks & Trade Names	Customer- Related Assets	Other Intangible Assets	
Dollar Allocation (\$000s)										
Renewable Fuels Marketing Business from Undisclosed Seller	Phillips 66	08/01/2023	Logistics	\$332,000	-	-	-	\$146,000	-	\$64,000
Refinery in Billings and Related Midstream Assets	Parr Pacific Holdings, Inc.	10/20/2022	Refining	\$654,907	-	-	-	-	-	-
Atkinson Ethanol Plant from Green Plains Inc.	Undisclosed	9/7/2023	Biofuels	\$22,214	-	-	-	-	-	-
Count				3	-	-	-	1	-	1
Percentage				na	-	-	-	33%	-	33%
Average				\$336,374	-	-	-	\$48,667	-	\$21,333
Median				\$332,000	-	-	-	-	-	-
Percentage Allocation										
Renewable Fuels Marketing Business from Undisclosed Seller	Phillips 66	08/01/2023	Logistics	\$332,000	-	-	-	44%	-	19%
Refinery in Billings and Related Midstream Assets	Parr Pacific Holdings, Inc.	10/20/2022	Refining	\$654,907	-	-	-	-	-	-
Atkinson Ethanol Plant from Green Plains Inc.	Undisclosed	9/7/2023	Biofuels	22,214	-	-	-	-	-	-
Average					-	-	-	15%	-	6%
Median					-	-	-	-	-	-

Intangible Allocations

Refining & Marketing



Appendix

Screening Criteria & Methodology

- Acquirer company universe based on constituent companies from:
 - S&P Oil & Gas Exploration & Production Select Industry Index with S&P Capital IQ primary industry classification in:
 - Oil and Gas Exploration and Production, or;
 - Oil and Gas Refining and Marketing
 - Alerian Midstream Energy Index (AMNA)
 - S&P Oil & Gas Equipment Select Industry Index
- Reviewed 2023 10-K filings of acquirer companies for disclosures regarding purchase price allocations
- Purchase consideration defined as total assets acquired (i.e., not net of liabilities assumed)

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A black and white photograph of an oil pumpjack in a field, with a blue geometric overlay at the bottom.

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