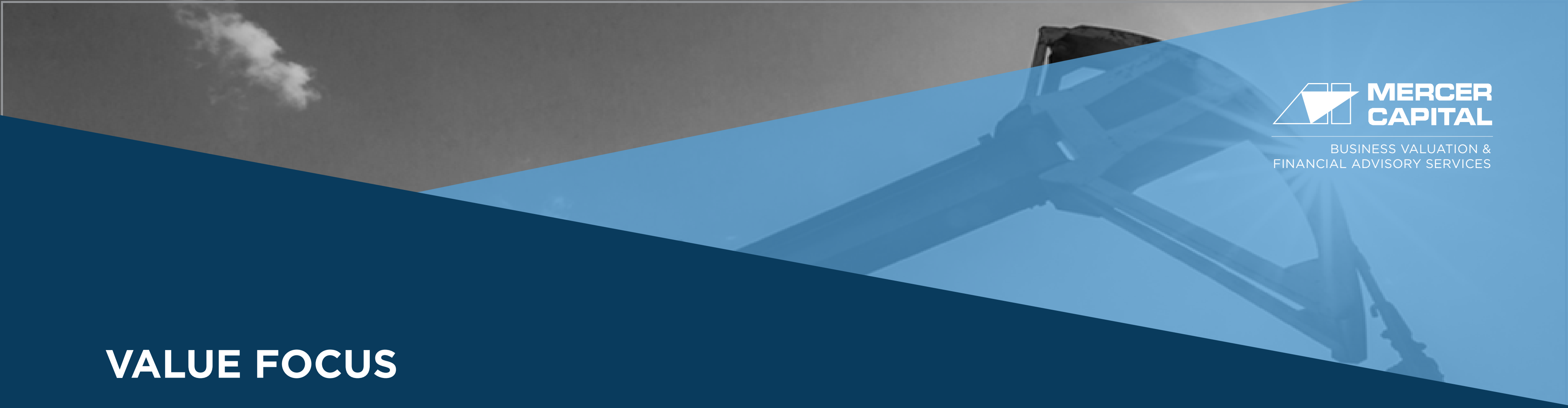

MERCER CAPITAL

BUSINESS VALUATION & FINANCIAL ADVISORY SERVICES

VALUE FOCUS

Exploration & Production

First Quarter 2023 // Region Focus: Eagle Ford

EXECUTIVE SUMMARY

Strong rig-count growth spurred an Eagle Ford production increase that was second only to the Permian. However, production improvement was offset by commodity price easing in the latter half of 2022 and early 2023, resulting in Eagle Ford comp group stock price declines over the last year. Despite those dynamics, interest in the Eagle Ford remains high, with Devon doubling its presence in the basin in late 2022 and SilverBow making significant acquisitions (SandPoint and Sundance) last year.

MERCER CAPITAL

Oil and Gas Industry Services

Mercer Capital provides business valuation and financial advisory services to companies in the energy industry.

Services Provided

- Valuation of oil & gas companies
- Transaction advisory for acquisitions and divestitures
- Valuations for purchase accounting and impairment testing
- Fairness and solvency opinions
- Litigation support for economic damages and valuation and shareholder disputes

Industry Segments

Mercer Capital serves the following industry segments:

- Exploration & Production
- Oil Field Services
- Midstream Operations
- Alternative Energy
- Downstream
- Retail

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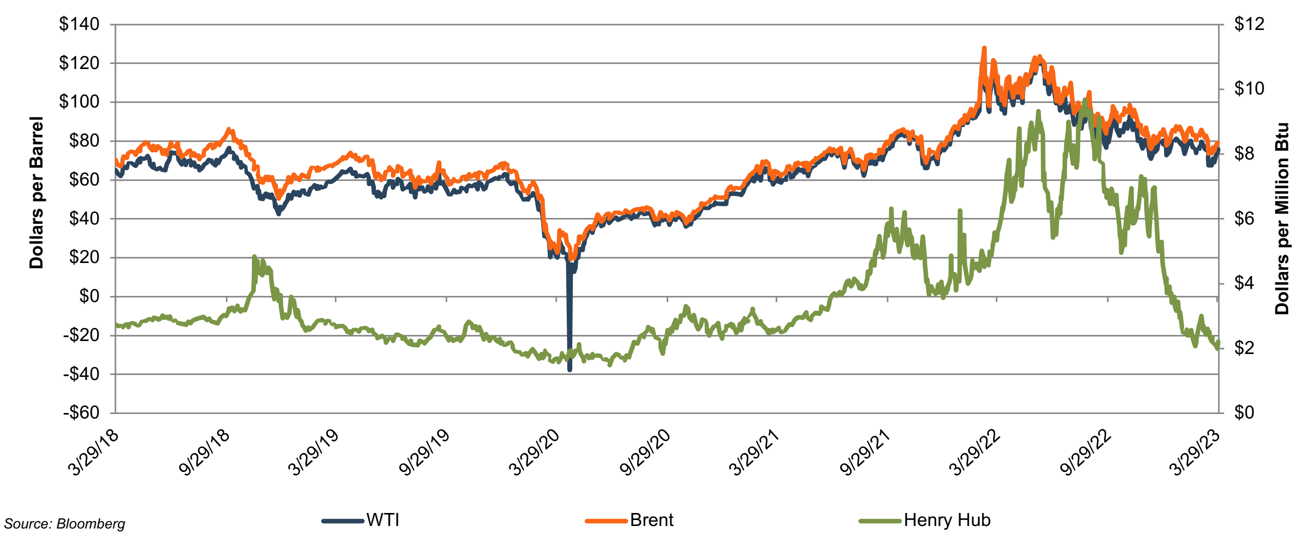
Oil and Gas Commodity Prices

As represented by the WTI and Brent indices, oil prices generally declined over the year ending March 2023, with only two short-lived periods of increases in late May/early June and late October/early November. Other than those brief periods, the WTI declined from $114 in late March 2022 and ended March 2023 at $76 for a 34% year-over-year reduction. The Brent followed the same pattern with an overall decline from $121 to $80, also a 34% year-over-year decline.

Natural gas prices, represented by the Henry Hub index, showed much greater volatility. Prices rose from $4.93 in March 2022 to $8.96 in June, back down to $5.49 in July, only to reach a 12-month high of $9.42 in August. After those five months of ups and downs, the index price generally fell over the remainder of the year with a notable 67% slide from $7.33 in late November to $2.40 in early February. The summer surge in natural gas prices was partly due to the typical demand spike associated with high summer temperatures. This was coupled with the geopolitical supply and demand impacts of the end of Russian natural gas supplies to Europe and fears of European gas shortages for the upcoming winter months. However, an unusually mild winter allayed the European gas shortage expectations by reducing demand, resulting in the sharp price decline over the last three months of the review period, ending March 2023 at $2.22.

Crude Oil and Natural Gas Prices



Source: Bloomberg

Macro Update

In the mire of much of the chaotic goings-on of the world energy markets over the past year, a lot of things have changed. A lot of other things have not gone according to predictions or plans. War in Ukraine remains. Interest rates have gone up. Recession questions haunt the market: are we close to one or already in one? Uncertainty has ruled the day.

Take this quote from the latest Dallas Fed Energy Survey:

> *"Our industry has been affected negatively by the Russia-Ukraine war, and now there are concerns over the banking system. The continued mixed messages put out by the administration are also contributing to the uncertainty and unwillingness to put additional funds toward development and growth."*

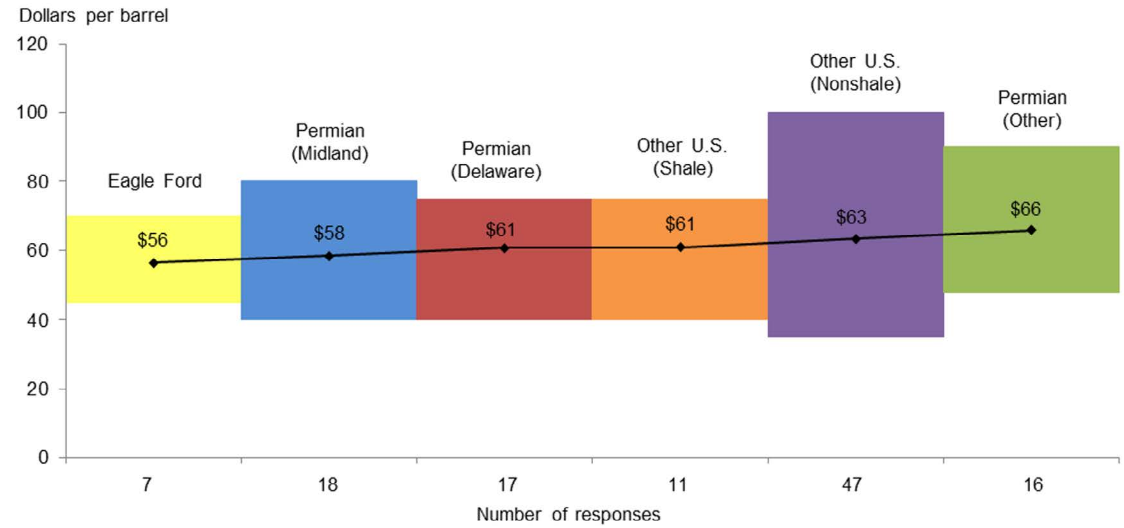
Yet commodity prices continue to drift back down this year, even contributing to the announced production cuts by OPEC+. The past warm European winter has muted much speculation that a significant portion of Russia's production would be frozen or shut in. In fact, Russian exports have rebounded to the point that in February they announced that they will cut production by 500,000 barrels a day, ostensibly in retaliation for the G7 price cap. At the same time, U.S. production continues to creep back up, but at a slowing pace; and natural gas prices have dropped back down to the low $2 range again.

What to make of this? Read between the apparently contradictory lines and there is more optimism for the upstream industry. We look at a few recent fundamental dynamics and the merger and acquisition market briefly to exemplify some of this.

Macro Update

Growth and Profits Hang On

**In the Top Two Areas in Which Your Firm is Active:
What WTI Oil Price Does Your Firm Need to Profitably Drill a New Well?**



NOTES: Lines show the mean, and bars show the range of responses. The average response was $62 per barrel. Executives from 80 exploration and production firms answered this question during the survey collection period, March 15–23, 2023.
SOURCE: Federal Reserve Bank of Dallas.

Based on the recently released **Dallas Fed Survey**, growth remained in the sector but slowed amid cost inflation and outlook uncertainties about the global economy. It is so uncertain that price estimates from survey participants ranged from $50 to $160 per barrel by the end of 2023.

Costs rose for the ninth quarter in a row while employment costs continued to drift up. However, amid these rises, most producing regions can still offer profitable new wells at around $80 WTI per barrel. Consider the chart above.

The Eagle Ford leads the way at $56 per barrel as West Texas costs have risen from $52 per barrel last year to $61 per barrel this year. The survey also notably highlights the economies of scale that larger firms tend to enjoy. Smaller firms (less than 10,000 b/d of production) need $64 per barrel while larger firms require $55 per barrel. Part of those

Macro Update

Growth and Profits Hang On (cont.)

costs reflect the increased compensation needed to attract workers to the space. The cyclical nature of the industry alongside the perception of limited career potential will be due to the energy transition have made it even more difficult to recruit and retain industry talent.

However, the productivity of these wells is in question too. An **article** written about a year and a half ago discussed the shrinking inventory of drilled but uncompleted (DUC) wells in the US. Today that clock has run out as they have returned to 2014 levels off from their 2020 peak. There simply are not as many potential wells that are more easily converted into production.

Yet profitability remains.

2022 was the best cash flow year the industry had seen in many years. According to a **McKinsey article,** free cash flows reached about $85 billion in 2022 with a cash balance between $70 billion and $100 billion. McKinsey estimates that cash flows will remain high for years to come even in a $65 to $70 oil environment. With capex expected to remain disciplined and debt loads continuing to fall, shareholder returns are expected to be a priority. One of the ways to enhance returns is to acquire productive assets with the cash received.

M&A Market Buzzing

The buildup of cash in 2022 had many observers and analysts wondering how much merger and acquisition activity would be a factor in 2023. This was partially answered in early April with Ovintiv's **$4.2 billion acquisition** of three EnCap portfolio companies.

Ovintiv Pro Forma Permian Position at Close

	Ovintiv Standalone	Pro Forma	Change
Net Acres	114,000	179,000	+57%
Oil & C5+ Production (bbl/d)	65,000	125,000	+92%
Total Production (boe/d)	115,000	190,000	+65%
Percent Oil	55%	65%	+18%

The market responded positively to the announcement, bumping Ovintiv's stock from about $36 per share to about $39 per share. It is not the only Permian based acquisition being discussed right now. Acquisition rumors are boosting shale producers, particularly Pioneer which is reportedly a target for Exxon Mobil. Exxon is flush with cash and is looking for productive ways to spend it. With diminishing returns in some areas as the shale revolution matures, there could be a lot more activity to come this year. Names like Exxon and Chevron could be pursuing companies such as Diamondback, Devon, Coterra, APA Corp., and Permian Resources.

Macro Update

M&A Market Buzzing (cont.)

What could be interesting is that these potential target companies are cash flow positive and becoming increasingly de-levered, so there may not be as much of an immediate need to sell. Less motivation to sell could stimulate the offering of acquisition premiums to shareholders that have not been observed much in the past several years. We will see.

In any event, it seems strange that amid this volatility, geopolitical turmoil, and inflation we would see majors so interested in domestic shale growth. Then again, there seems to be a blurred line on what is strange and what is normal in this industry anyway.

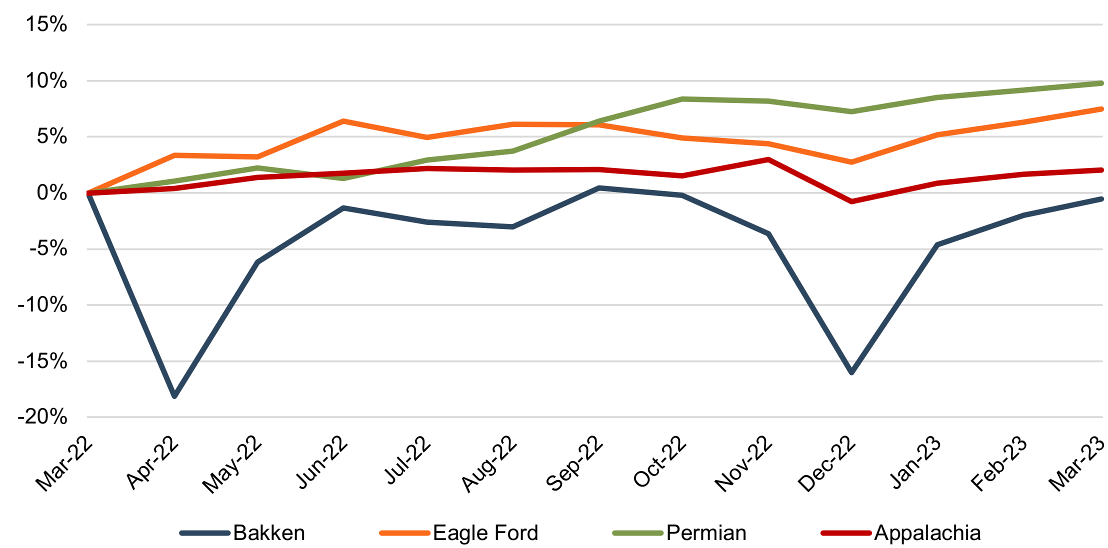
Eagle Ford

Production and Activity Levels

The economics of oil and gas production varies by region. Mercer Capital focuses on trends in the Eagle Ford, Permian, Bakken, and Appalachia plays. The cost of producing oil and gas depends on the geological makeup of the reserve, depth of reserve, and cost to transport the raw crude to market. We can observe different costs in different regions depending on these factors. This quarter we take a closer look at the Eagle Ford.

Eagle Ford production (on a barrels of oil equivalent, or "boe" basis) increased 7% year-over-year through March. Production was consistently above March 2022 levels, despite a 3% decline from August to December. The Eagle Ford production climb was second only to that of the Permian, which rose 10% over the year. Appalachian production showed a modest increase through November before a 4% decline in December. By March, Appalachian production had climbed back to a year-over-year increase of 2%. Bakken production was slightly down year-over-year, though significant winter storm interruptions in April and December caused 18% and 16% monthly declines, respectively.

1-Year Change in Production



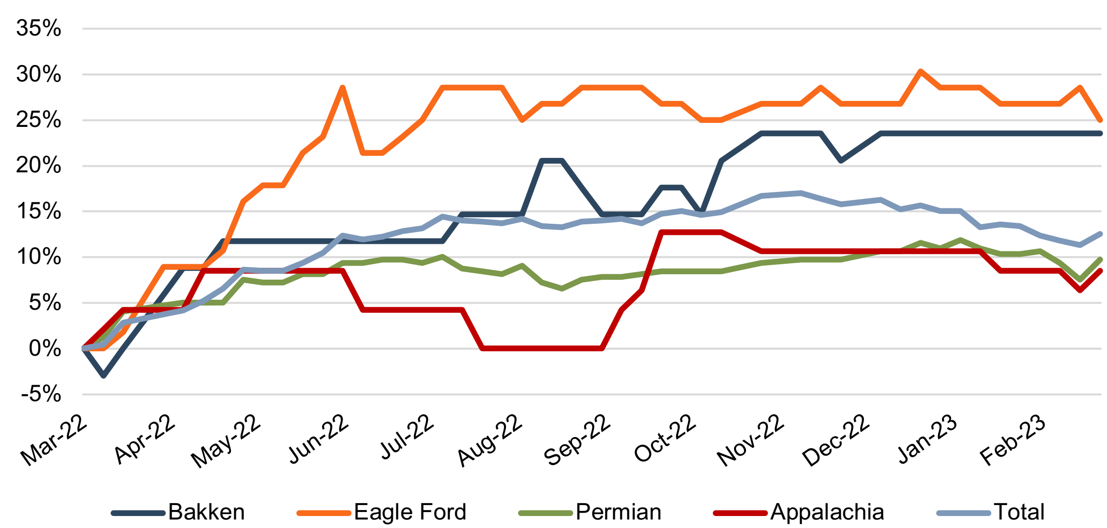
Source: Energy Information Administration

Production and Activity Levels (cont.)

The Eagle Ford rig count growth soared in the LTM period ending March 2023, jumping 29% (from 56 to 72 rigs) through June, with only minimal variations over the remaining nine months (between 70 and 72 rigs). The Bakken rig count growth kept pace with the Eagle Ford's through May before lagging with a growth rate of 12% to 21% through early November. Since then, the Bakken rig count has grown between 21% and 27% compared to March 2022. Permian and Appalachia rig count growth over the year was more muted, with 9% and 8% increases, respectively, over the year. The Permian count was the more stable of the two, holding steady between 7% and 12% over March 2022 levels since June. The Appalachia rig count growth was much more varied over the year, rising to 9% by May before multiple declines took it back to the March 2022 level (47 rigs) in August. It subsequently hit the 12-month high of 53 rigs (15% above the March 2022 count) in October.

Overall rig counts for the four covered plays climbed steadily over the year from 668 to 752, for a 13% increase to March 2023.

1-Year Change in Rig Count



Source: Baker Hughes

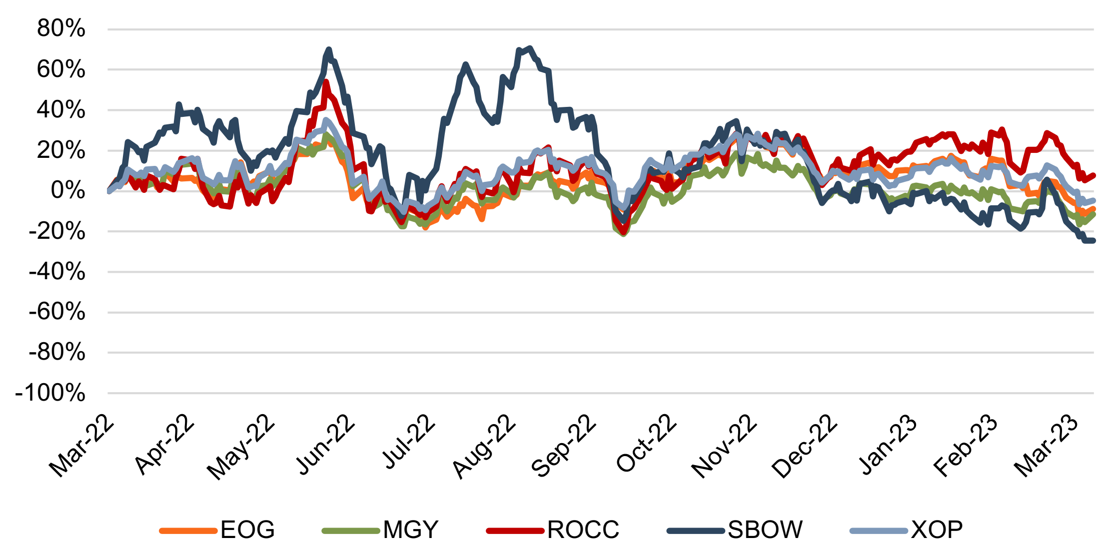
Production and Activity Levels (cont.)

As has become typical, the Eagle Ford's much higher percentage rig count growth over the Permian's did not result in greater Eagle Ford production growth. Instead, even with the advantage of a rig count growth that has exceeded that of the Permian by double digits since May 2022, the Eagle Ford production growth lagged that of the Permian by 2% to 5% since September. The disconnect between rig count growth and production growth between the two basins lies in legacy production declines and new well production per rig. Both factors favor the Permian such that the Permian requires a lower number of rigs to active wells ratio to maintain production levels.

Financial Performance

The public comp group for Eagle Ford showed stock price declines over the March 2022 to March 2023 period of 9% to 24%, with the sole exception of ROCC, which posted a year-over-year price increase of 8%. While there was a fairly steady decline from mid-November to the review period end, there were significant ups and downs in the first half. SilverBow and Ranger showed the greatest price volatility, with SilverBow posting March 2022 price changes ranging from -5% to 36% and Ranger from -1% to 23%. EOG and Magnolia showed markedly lower price volatility, with price changes from March 2022 ranging from -2% to 15% and -4% to 9%, respectively.

1-Year Change in Stock Price



Source: Capital IQ

Market Valuations & Transaction History

Recent Transactions in the Eagle Ford

Deal activity in the Eagle Ford has increased over the past 12 months, with 13 deals closed compared to 10 that closed in the prior year. What is fueling Eagle Ford's M&A momentum? Significant volumes of wet gas, NGLs, and rich condensate combined with the proximity to the Port of Corpus Christi. The port is the home of a processing and export market that hit an all-time high for crude oil exports in December 2022, exceeding 70 million barrels in a month for the first time in its history. The Port of Corpus Christi accounted for **roughly 60% of all U.S. crude oil exports** for all of 2022, according to research firm RBN Energy.

A table detailing E&P transaction activity in the Eagle Ford over the last 12 months is shown below. The median deal value in the past four quarters ($1.3 billion) was approximately $930 million, higher than the median deal value from Q2 2021 to Q1 2022. The average deal value over the past 12 months ($1.1 billion) was nearly twice the average ($573 million) over the prior year. Acreage positions transacted over the past year were flat, with a median size of 40,500 net acres compared to 45,000 net acres in the prior 12 months. The average deal acreage was nearly 88,000 net acres this past year, compared to an average of 80,000 in the prior 12 months.

Announced Date	Buyer	Seller	Deal Value ($MM)	$ / Acre	$ / Boe/d
2/28/23	Baytex Energy Corp.	Ranger Oil Corp.	$2,500	$15,432	$35,714
2/21/23	Ineos Group	Chesapeake Energy Corp.	1,400	8,140	38,889
1/18/23	WildFire Energy	Chesapeake Energy Corp.	1,425	3,780	nm
11/3/22	Marathon Oil Corp.	Ensign Natural Resources LLC	3,000	23,077	44,776
10/3/22	Silverbow Resources	Undisclosed Seller	87	34,800	34,800
9/15/22	Silverbow Resources	Arkoma Leasing Operating, LLC	35	4,667	5,955
8/9/22	Devon Energy Corp.	Validus Energy	1,800	42,857	51,429
5/18/22	Executive Network Partnering Corporation, Granite Ridge Resources Inc.	Grey Rock Investment Partners	1,300	39,712	63,415
5/4/22	Ranger Oil Corp.	Earthstone Energy Inc.	64	3,765	64,000
4/14/22	Silverbow Resources	SandPoint Resources LLC	71	2,630	15,269
4/14/22	Silverbow Resources	Sundance Energy Inc.	354	9,077	31,892
3/24/22	WildFire Energy	MD America Energy LLC	Undisclosed	nm	nm
Median			**$1,300**	**$9,077**	**$37,302**
Average			**$1,094**	**$17,085**	**$38,614**

Sources: Shale Experts, Financial Post

Market Valuations & Transaction History

Baytex Energy Purchases Ranger Oil; First All-Public Upstream Deal in a Year

On February 28, 2023, Canadian energy company Baytex Energy Corp. ("Baytex") announced the acquisition of Eagle Ford pure play Ranger Oil Corp. ("Ranger") for an aggregate purchase price of approximately $2.5 billion. Ranger shareholders will receive $13.31 in cash and 7.49 Baytex shares of stock per share of Ranger stock. Ranger's stock closed at $41.31 per share the day before the deal was announced. The deal prices Ranger stock at approximately $44.36 per share, or an approximate 7.4% premium.

This deal is the first between publics in the E&P oil and gas sector since Oasis Petroleum and Whiting Petroleum merged in a $6.0 billion deal about a year ago.

Baytex picks up the following in the deal:

» 162,000 net acres, highly concentrated in Gonzales, Lavaca, Fayette, and Dewitt counties and on-trend with Baytex's non-operated position in the Karnes Trough

» Production of 67-70 Mboe/d (working interest) that is 96% operated (72% light oil, 15% NGLs, and 13% natural gas)

» 174 MMboe of proved reserves, consisting of 120 MMbbls of tight oil, 27 MMbbls of NGLs, and 162 Bcf of shale gas (working interest before the deduction of royalties);

» 258 MMboe of proved plus probable reserves, consisting of 180 MMbbls of tight oil, 39 MMbbls of NGLs, and 232 Bcf of shale gas (working interest before the deduction of royalties)

Baytex CEO Eric T. Greager said of the Ranger acquisition:

> *"The Ranger acquisition is strategic. We are acquiring a strong operating capability in the Eagle Ford, on-trend with our non-operated position in the Karnes Trough and driving meaningful per-share accretion on all metrics. The transaction more than doubles our EBITDA and nearly doubles our free cash flow. The Ranger inventory immediately competes for capital in our portfolio and brings 12 to 15 years of quality oil-weighted drilling opportunities. We are building quality scale and a more durable business with a lower break-even WTI price."*

Market Valuations & Transaction History

Marathon Leads the Race for Largest Eagle Ford Acquisition in the Last 12 Months

Marathon Oil Corporation ("Marathon") announced its acquisition of the Eagle Ford assets of Ensign Natural Resources ("Ensign") for total cash consideration of $3.0 billion on November 2, 2022.

Using the 2023 forward curve pricing of $81/WTI, $5.10/HH, and $26.50/NGL as of October 27, 2022, and a 15% cash tax rate, the transaction is expected to drive a 17% increase to Marathon's 2023 operating cash flow and a 15% increase to free cash flow. As the transaction is accretive to Marathon's cash flow profile, it will increase 2023 shareholder distribution capacity by approximately 17%, consistent with the company's return of capital framework driven by operating cash flow.

The 130,000 net acres acquired are adjacent to Marathon's existing Eagle Ford position and include:

» 97% working interest located primarily in the prolific condensate and wet gas phase windows of the play

» More than 600 undrilled locations, representing an inventory life greater than 15 years

» 700 existing wells

Marathon Oil expects to fund the transaction with a combination of cash on hand, borrowings on the company's revolving credit facility, and issuance of new prepayable debt. The Company does not expect the transaction to meaningfully affect its leverage profile.

Marathon Chairman, President, and CEO Lee Tilman noted:

> *"This acquisition in the core of the Eagle Ford satisfies every element of our exacting acquisition criteria, uniquely striking the right balance between immediate cash flow accretion and future development opportunity…". "The transaction is immediately accretive to our key financial metrics; it will drive higher distributions to our shareholders consistent with our operating cash flow driven Return of Capital Framework; it's accretive to our inventory life with high rate-of-return locations that immediately compete for capital; and it offers compelling industrial logic by nearly doubling our position in a Basin where we have a tremendous track record of execution excellence. Importantly, we expect to execute this transaction while maintaining our investment grade balance sheet and while still delivering on our aggressive return of capital objectives in 2022 and beyond."*

Market Valuations & Transaction History

Conclusion

M&A activity in the Eagle Ford has picked up over the past year in terms of both deal count and the amount of acreage involved (1.1 million acres in the last 12 months vs. 720,000 acres in the same period one year prior). Of the 13 deals noted over the past year, nine were property/asset acquisitions, and four were corporate transactions. Interestingly, both Greager and Tilman indicated that the Eagle Ford assets acquired will immediately compete for capital in their respective companies' portfolios. Additionally, in its valuation of the deal, Marathon did not consider that most of the 700 existing wells acquired were developed before 2015 with early-generation completion designs and will most likely need to be redeveloped.[1] Clearly, Baytex and Marathon see the purchased assets as providing a high return on investment, even if additional capital must first be allocated.

[1] *"Marathon Oil Announces Eagle Ford Acquisition", Marathon Oil News Release, Available online at https://ir.marathonoilcom/2022-11-02-Marathon-Oil-Announces-Eagle-Ford-Acquisition*

Appendix A

Selected Public Company Information

Mercer Capital tracks the performance of Exploration and Production companies across different mineral reserves in order to understand how the current pricing environment affects operators in each region. We created an index of seven groups to better understand performance trends across reserves and the industry. The current pricing multiples of each company in the index are summarized below.

					as of 3/31/2023		
Company Name	Ticker	3/31/2023 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	EV/ EBITDAX	Daily Production (mboe/d)	Price per Flowing Barrel*
Global Integrated							
Exxon Mobil Corp	XOM	$471,126	32.8%	24.5%	4.8x	3,793	$124,215
Shell PLC	SHEL	242,722	3.0%	23.1%	2.8	2,830	85,758
Chevron Corp	CVX	321,522	0.2%	27.8%	4.7	3,017	106,586
BP PLC	BP.	143,069	28.1%	23.0%	2.6	2,269	63,055
Equinor ASA	EQNR	76,209	-24.5%	51.4%	1.0	1,979	38,506
Group Median			**3.0%**	**24.5%**	**2.8x**	**2,830**	**$85,758**
Global E&P							
Marathon Oil Corporation	MRO	$20,817	-4.6%	69.1%	4.0x	393	$52,938
Hess Corporation	HES	47,651	23.6%	52.7%	8.1	355	134,183
ConocoPhillips	COP	128,860	-0.8%	40.6%	3.9	1,747	73,753
Occidental Petroleum Corporation	OXY	85,612	10.0%	54.8%	4.3	1,182	72,437
APA Corporation	APA	17,643	-12.8%	47.1%	3.4	390	45,271
Murphy Oil Corporation	MUR	8,221	-8.4%	72.5%	2.9	168	48,897
Group Median			**-2.7%**	**53.7%**	**4.0x**	**391**	**$62,688**

Source: Bloomberg L.P.

- Price per Flowing Barrel is EV/daily production ($/boe/d)
- We review 10-K's and annual reports from guideline companies to ensure companies continue to operate in the regions and groups we have identified.

Appendix A

Selected Public Company Information

Company Name	Ticker	3/31/2023 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	EV/ EBITDAX (as of 3/31/2023)	Daily Production (mboe/d) (as of 3/31/2023)	Price per Flowing Barrel* (as of 3/31/2023)
Bakken							
Chord Energy Corporation	CHRD	$5,430	-8.0%	49.2%	3.2x	164	$33,130
Enerplus Corporation	ERF	3,361	13.5%	64.0%	2.4	95	35,561
Group Median			**2.7%**	**56.56%**	**2.8x**	**129**	**$34,345**
Appalachia							
Range Resources Corporation	RRC	$8,327	-12.9%	45.1%	2.9x	354	$23,554
EQT Corporation	EQT	15,808	-7.3%	60.1%	2.2	845	18,699
Coterra Energy Inc	CTRA	20,722	-9.0%	76.2%	3.0	621	33,373
Antero Resources Corporation	AR	11,710	-24.4%	44.7%	3.0	541	21,649
Southwestern Energy Company	SWN	10,022	-30.3%	22.0%	3.0	753	13,303
Group Median			**-12.9%**	**45.1%**	**3.0x**	**621**	**$21,649**
Permian Basin							
Diamondback Energy, Inc.	FANG	$31,781	-1.4%	80.8%	4.3x	421	$75,426
Permian Resources Corporation	PR	8,010	30.1%	89.7%	4.2	153	52,508
Callon Petroleum Company	CPE	4,299	-43.4%	56.2%	2.4	98	43,656
Vital Energy, Inc.	VTLE	1,858	-42.5%	72.2%	1.3	75	24,713
Pioneer Natural Resources Company	PXD	52,579	-18.3%	48.1%	4.5	673	78,143
Group Median			**-18.3%**	**72.2%**	**4.2x**	**153**	**$52,508**

Source: Bloomberg L.P.

- Price per Flowing Barrel is EV/daily production ($/boe/d)
- We review 10-K's and annual reports from guideline companies to ensure companies continue to operate in the regions and groups we have identified.

Appendix A

Selected Public Company Information

Company Name	Ticker	3/31/2023 Enterprise Value	YoY % Change in Stock Price	EBITDAX Margin	as of 3/31/2023 EV/ EBITDAX	Daily Production (mboe/d)	Price per Flowing Barrel*
Eagle Ford							
EOG Resources, Inc.	EOG	$67,357	-3.9%	52.1%	4.4x	925	$72,808
Magnolia Oil & Gas Corporation	MGY	4,089	-7.5%	74.5%	3.2	81	50,600
SilverBow Resources, Inc.	SBOW	1,214	-28.6%	69.9%	2.3	51	23,621
Ranger Oil Corporation	ROCC	1,944	18.3%	69.5%	2.6	49	40,010
Group Median			**-5.7%**	**69.7%**	**2.9x**	**66**	**$45,305**
OVERALL MEDIAN			**-7.4%**	**52.4%**	**3.1x**	**481**	**$49,748**

Source: Bloomberg L.P.

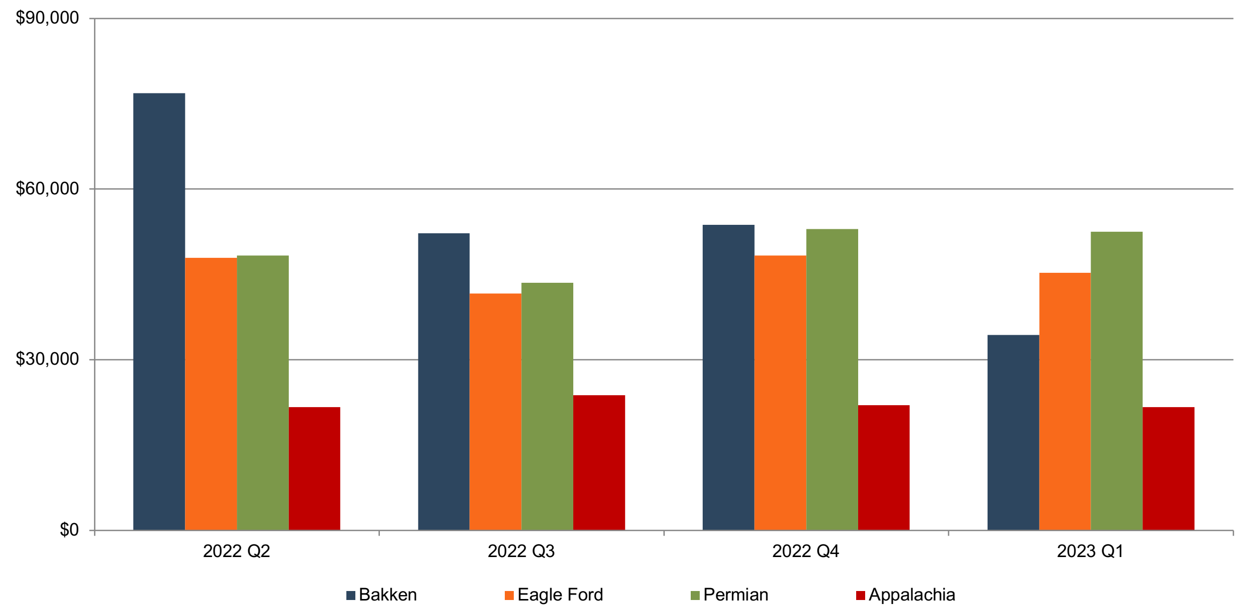
- Price per Flowing Barrel is EV/daily production ($/boe/d)
- We review 10-K's and annual reports from guideline companies to ensure companies continue to operate in the regions and groups we have identified.

Appendix A

Selected Public Company Information

The following graph depicts the median of EV/production multiples, also known as price per flowing barrel, from Q2 2022 through Q1 2023.

Price per Flowing Barrel



Source: Capital IQ

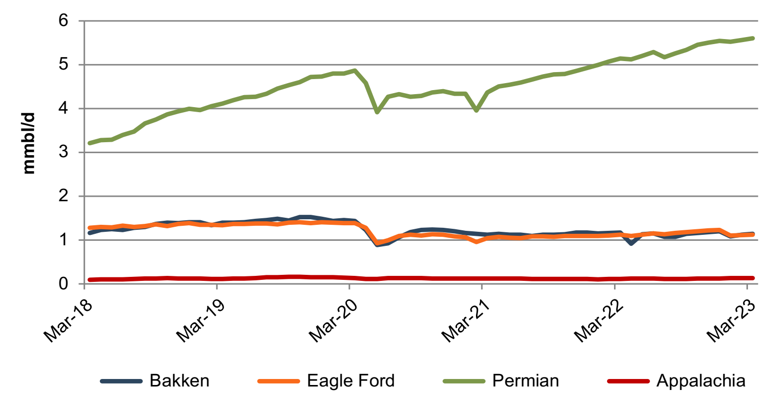
- Price per Flowing Barrel is EV/ daily production ($/boe/d)
- This is simply a graphic depiction of median figures of our selected public companies for each region. This should be interpreted solely in the context of relative valuation between the various basins over time. Bloomberg aggregates this raw data, and Mercer Capital does not represent or warrant these figures as indicative of valuation multiples attributable to E&P companies or other interests.

Appendix B

Production

Daily Production of Crude Oil

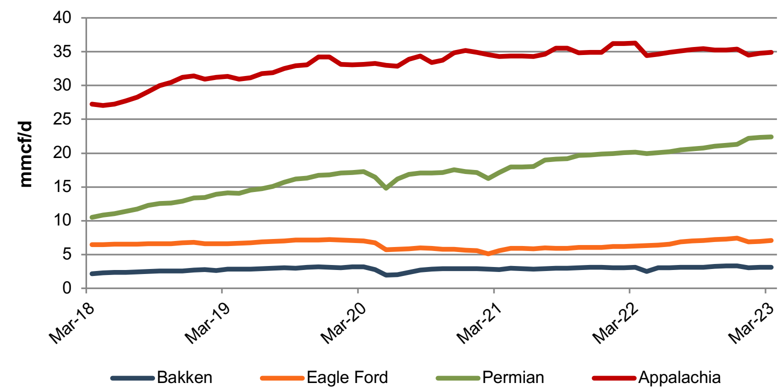
Oil production in the Appalachian basins increased by 22.3% over the last year, and oil production in the Permian increased by 8.9%. Eagle Ford oil production remained stagnant, decreasing by 0.1% from a year ago, and Bakken oil production declined by 2.4% over the same span.



Source: EIA

Daily Production of Natural Gas

The Eagle Ford led the analyzed regions in natural gas production growth at 12.1% over the last year, followed by the Permian experiencing growth of 11.1% over the same period. Natural gas production in the Bakken increased slightly from a year ago at 1.5%, while Appalachia's natural gas production declined by 3.9%.



Source: EIA

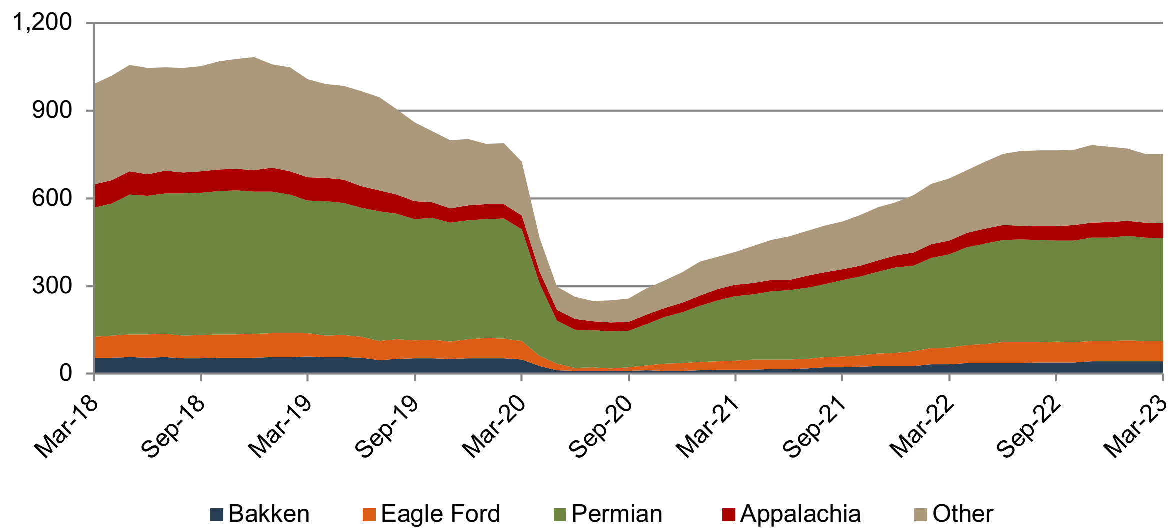
Appendix C

Rig Count

Baker Hughes collects and publishes information regarding active drilling rigs in the United States and internationally. The number of active rigs is a key indicator of demand for oilfield services & equipment. Factors influencing rig counts include energy prices, investment climate, technological changes, regulatory activity, weather, and seasonality.

The number of active rigs in the U.S. during March 2023 was 752, which represents a 12.6% increase from 668 in March 2022, though 3.2% less than the 777 in December 2022. Year-over-year, the rig count in the Bakken increased by 27.3% from 33 to 42, and in the Eagle Ford by 25.0% from 56 to 72.

Rig Count by Region

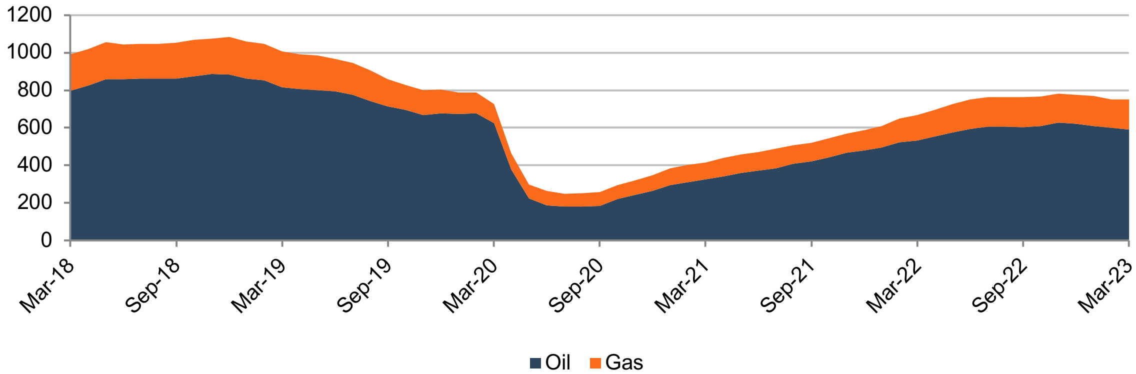


Source: Baker Hughes

Appendix C

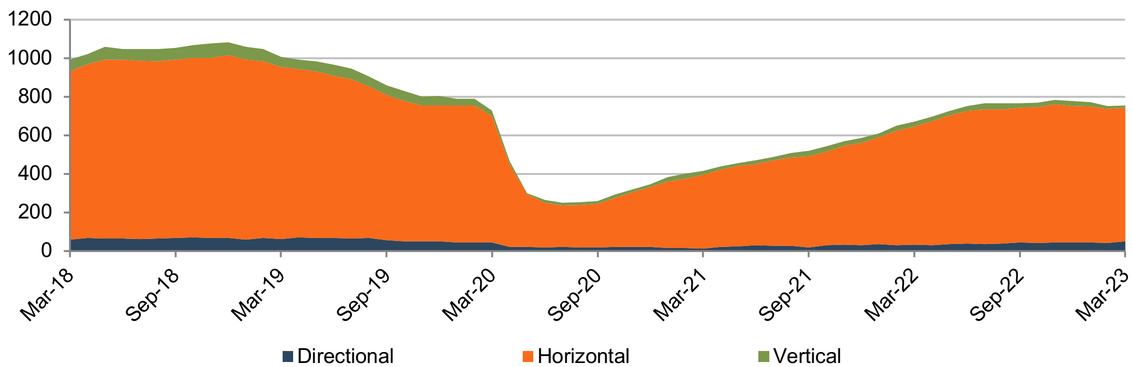
Rig Count

U.S. Rig Count by Oil vs. Natural Gas



Source: Baker Hughes

U.S. Rig Count by Trajectory



Source: Baker Hughes

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