



OKLAHOMA MISSISSIPPIAN ACREAGE – GRANT & ALFALFA COUNTIES



albrecht & associates, inc.  
oil & gas divestment specialists

# TABLE OF CONTENTS

Executive Summary	3
Transaction Process	4
Mississippian Trend Play Overview	5
Acreage Map	6
Play Highlights	7
Sample PUD Economic Run	8
Mississippian Lime Horizontal Type Curve	9
Lease Schedule	10
Disclaimer	12
Contact Page	13

## OKLAHOMA MISSISSIPPIAN ACREAGE – GRANT & ALFALFA COUNTIES

GAW Oil Co., LLC (“GAW”) is offering its interests in 7,135 net acres in the core of the Mississippian Lime play in Grant & Alfalfa Counties, Oklahoma. The majority of the acreage is concentrated in three townships in northwestern Grant County. Depths from the top of the Mississippian Chat to the bottom of the Mississippian Lime will be included and the acreage will be delivered with an average 23.4% royalty burden (lease schedule shown on page 10). Approximately **91%** (6,525 net acres) **of the 7,135 net acres are HBP**. The primary term for the remaining 640 non-HBP net acres (Sec 26-T29N-R7W) expires in May 2012 (shown on map on page 6).

There are 48 shallow vertical wells producing from reservoirs above the Mississippian Lime on the acreage. Although most of these wells penetrated part (70’ on average) of the Mississippian Lime, none produced from the reservoir<sup>1</sup>. The vertical wells produce mainly from the Cherokee Sands and Mississippian Chat. GAW is retaining the wellbores and production from all existing wells. There are no horizontal Mississippian Lime wells on GAW’s acreage.

Chesapeake, SandRidge, Devon, and Range Resources are the largest operators in the play with 1,100,000, 900,000, 150,000, and 45,000 net acres, respectively. SandRidge is the most active operator in the immediate area. SandRidge has five notable Mississippian Lime horizontal producers and 30 horizontal permits within five miles of GAW’s acreage (shown on acreage map on page 6). The 30-day initial production rates for the five producers range from 520 to 900 BOEPD<sup>2</sup>.

To date, Chesapeake has drilled 56 Mississippian Lime horizontal wells and publicly stated its average EUR per well is 415 MBOE<sup>3</sup>. Chesapeake also stated it plans to develop the play on 160-acre well spacing. Meanwhile, SandRidge has drilled 84 Mississippian Lime horizontal wells in the play and publicly stated its type curve EUR per well is 409 MBOE, with a drilling and completion cost of \$3 million per well<sup>2</sup>. Based on 160-acre development and gross reserves of 409 MBOE per well, potential gross reserves for GAW’s acreage are estimated to be 18 MMBOE (14 MMBOE net). A sample PUD economic run and plot based on industry type curves from investor presentations can be found on page 8.

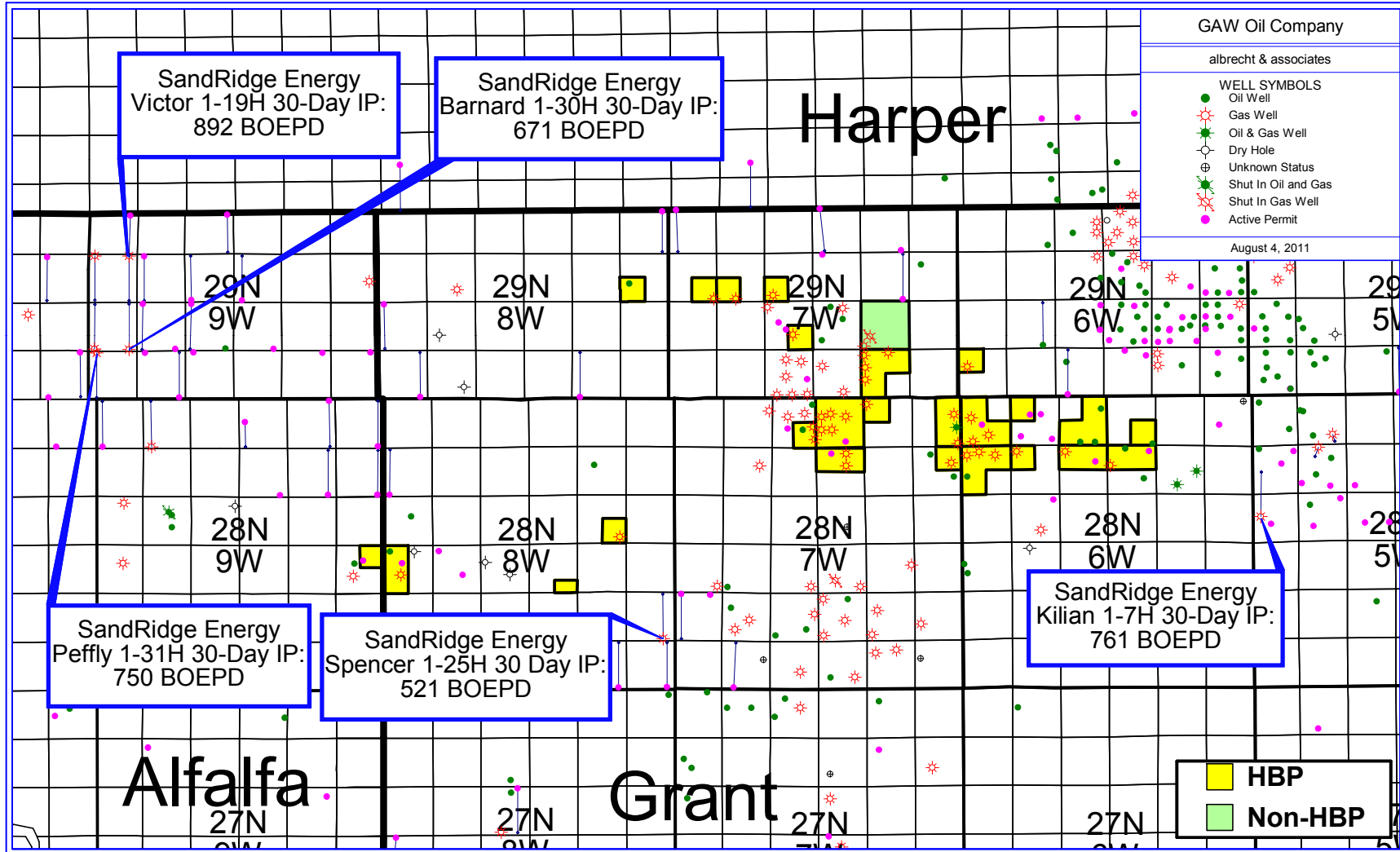
1. Logs will be available in the data room
2. SandRidge’s “June 2011 Investor Presentation” dated June 14, 2011
3. Chesapeake’s Q2 2011 Investor Call on July 29, 2011

## OKLAHOMA MISSISSIPPIAN ACREAGE – GRANT & ALFALFA COUNTIES

***This will be a negotiated sale. The Properties are subject to prior sale.*** An offer may be made at any time, but no offers will be considered that are subject to further reservoir engineering (future production volume forecasts) and no offers will be considered that are contingent on financing. A draft Purchase and Sale Agreement will be available upon request. GAW reserves the right to reject any and all offers. Offers will be due on or before **September 14, 2011**.



# ACREAGE MAP\* (7,135 NET ACRES)



PETRA 8/4/2011 12:02:27 PM

\* Map shows all shallow producers on GAW's acreage, offset wells that produce(d) from the Mississippian (mostly Mississippian Chat), and all offset permits

## RECENT PLAY HIGHLIGHTS

- **Chesapeake Energy** stated in a recent call<sup>1</sup> that it has 1.1 million net acres in the play and is currently increasing its rig count from six to 10 rigs by year-end 2011 and anticipates reaching a rig count of 30 to 40 by year-end 2014 or early-2015. The company plans to develop the play on 160-acre spacing and estimates gross reserves of 415 MBOE per horizontal well. Chesapeake expects to complete a JV with its Mississippian Lime assets later this year.
- **SandRidge** stated<sup>2</sup> in a recent investor presentation that it has more than 900,000 net acres and is currently running 12 rigs in the play. The company estimates gross reserves of 409 MBOE and a drilling and completion cost of \$3 million per horizontal well. On August 4<sup>th</sup>, 2011, SandRidge announced it entered into a 113,000 net acre JV.
- **Range Resources** estimates<sup>3</sup> gross reserves per horizontal well will range from 400 MBOE to 500 MBOE, with drilling and completion costs of \$3.1 million (including \$200,000 for SWD). Based on reserves of 400 MBOE, the company estimates IRRs of 60%, 75% and 91% at \$80, \$90, and \$100 NYMEX oil pricing, respectively (\$4.00/MMBTU NYMEX gas price assumed). Based on reserves of 500 MBOE, the company estimates IRRs of 69%, 86% and 105% at \$80, \$90, and \$100 NYMEX oil pricing, respectively (\$4.00/MMBTU NYMEX gas price assumed).

1) Chesapeake's Q2 2011 Investor Call on July 29, 2011

2) SandRidge's "June 2011 Investor Presentation" dated June 14, 2011

3) Range Resources "July 2011 Investor Presentation"

# PUD ECONOMIC RUN

Case : MISSISSIPPIAN PUD  
 Field : MISSISSIPPI LIME  
 Co., State : Grant, OK  
 Operator : VARLOUS  
 Reserve Vol. : MISSISSIPPI LIME  
 Reserve Cat. : Proved Underdeveloped

## RESERVES AND ECONOMICS

Effective Date : 09/01/2011

Date : 08/02/2011 5:48:40PM  
 Project Name : GAW  
 Partner : All Cases  
 Archive Set : default

- End - Mo - Yr	Gross Oil Production (MMbbl)	Gross Gas Production (MMcf)	Net Oil Sales (Ybbl)	Net Gas Sales (MMcf)	Oil Price (\$/bbl)	Gas Price (\$/Mcf)	Net Oil Revenue (M\$)	Net Gas Revenue (M\$)	Total Net Revenue (M\$)
08-12	30,783	173,453	23,566	132,778	97,300	4,490	2,292,963	596,174	2,889,137
08-13	17,836	100,493	13,653	76,927	102,653	5,069	1,401,551	389,975	1,791,526
08-14	13,382	75,400	10,244	57,719	103,622	5,406	1,061,515	312,028	1,373,543
08-15	10,968	61,796	8,396	47,305	103,683	5,692	870,508	269,241	1,139,749
08-16	9,439	53,182	7,225	40,711	103,142	5,967	745,251	242,920	988,171
08-17	8,314	46,844	6,364	35,859	103,142	5,967	656,446	213,973	870,419
08-18	7,490	42,200	5,733	32,304	103,142	5,967	591,364	192,759	784,123
08-19	6,844	38,560	5,239	29,518	103,142	5,967	540,350	176,131	716,482
08-20	6,338	35,710	4,852	27,336	103,142	5,967	500,410	163,112	663,522
08-21	5,887	33,170	4,507	25,392	103,142	5,967	464,823	151,513	616,336
08-22	5,522	31,111	4,227	23,815	103,142	5,967	435,965	142,106	578,071
08-23	5,208	29,344	3,987	22,463	103,142	5,967	411,208	134,036	545,245
08-24	4,946	27,868	3,786	21,333	103,142	5,967	390,519	127,295	517,811
08-25	4,676	26,345	3,579	20,167	103,142	5,967	369,187	120,339	489,526
08-26	4,433	24,976	3,393	19,119	103,142	5,967	350,002	114,086	464,087
<b>S Tot</b>	<b>142,067</b>	<b>800,453</b>	<b>108,752</b>	<b>612,746</b>	<b>101,902</b>	<b>5,460</b>	<b>11,082,061</b>	<b>3,345,687</b>	<b>14,427,748</b>
<b>After</b>	<b>68,396</b>	<b>383,366</b>	<b>52,357</b>	<b>294,997</b>	<b>103,142</b>	<b>5,967</b>	<b>5,400,241</b>	<b>1,760,249</b>	<b>7,160,490</b>
<b>Total</b>	<b>210,463</b>	<b>1,183,818</b>	<b>161,109</b>	<b>907,744</b>	<b>102,305</b>	<b>5,625</b>	<b>16,482,302</b>	<b>5,105,936</b>	<b>21,588,238</b>

- End - Mo - Yr	Well Count	Production Taxes (M\$)	Net Ad Valoren Taxes (M\$)	Direct Oper Expense (M\$)	Capital Expense (M\$)	Future Net Cashflow (M\$)	Cumulative Cashflow (M\$)	Cum. Disc. Cashflow (M\$)
08-12	1	204,984	0.000	42,000	3,000,000	-357,848	-357,848	-490,675
08-13	1	127,109	0.000	42,000	0.000	1,622,417	1,264,569	869,767
08-14	1	97,453	0.000	42,000	0.000	1,234,090	2,498,660	1,786,502
08-15	1	80,865	0.000	42,000	0.000	1,016,884	3,515,543	2,456,130
08-16	1	70,111	0.000	42,000	0.000	876,061	4,391,604	2,967,563
08-17	1	61,756	0.000	42,000	0.000	766,663	5,158,267	3,364,395
08-18	1	55,634	0.000	42,000	0.000	684,756	5,844,756	3,679,521
08-19	1	50,834	0.000	42,000	0.000	623,647	6,468,403	3,933,417
08-20	1	47,077	0.000	42,000	0.000	574,445	7,042,849	4,140,798
08-21	1	43,729	0.000	42,000	0.000	530,607	7,573,456	4,310,666
08-22	1	41,014	0.000	42,000	0.000	495,057	8,068,513	4,451,235
08-23	1	38,685	0.000	42,000	0.000	464,560	8,533,072	4,566,231
08-24	1	36,739	0.000	42,000	0.000	439,073	8,972,145	4,666,293
08-25	1	34,732	0.000	42,000	0.000	412,794	9,384,939	4,748,054
08-26	1	33,927	0.000	42,000	0.000	389,160	9,774,099	4,816,424
<b>S Tot</b>		<b>1,023,649</b>	<b>0.000</b>	<b>630,000</b>	<b>3,000,000</b>	<b>9,774,099</b>	<b>9,774,099</b>	<b>4,816,424</b>
<b>After</b>		<b>508,037</b>	<b>0.000</b>	<b>1,469,619</b>	<b>0.000</b>	<b>5,182,834</b>	<b>5,182,834</b>	<b>5,158,860</b>
<b>Total</b>		<b>1,531,685</b>	<b>0.000</b>	<b>2,099,619</b>	<b>3,000,000</b>	<b>14,956,933</b>	<b>14,956,933</b>	<b>5,158,860</b>

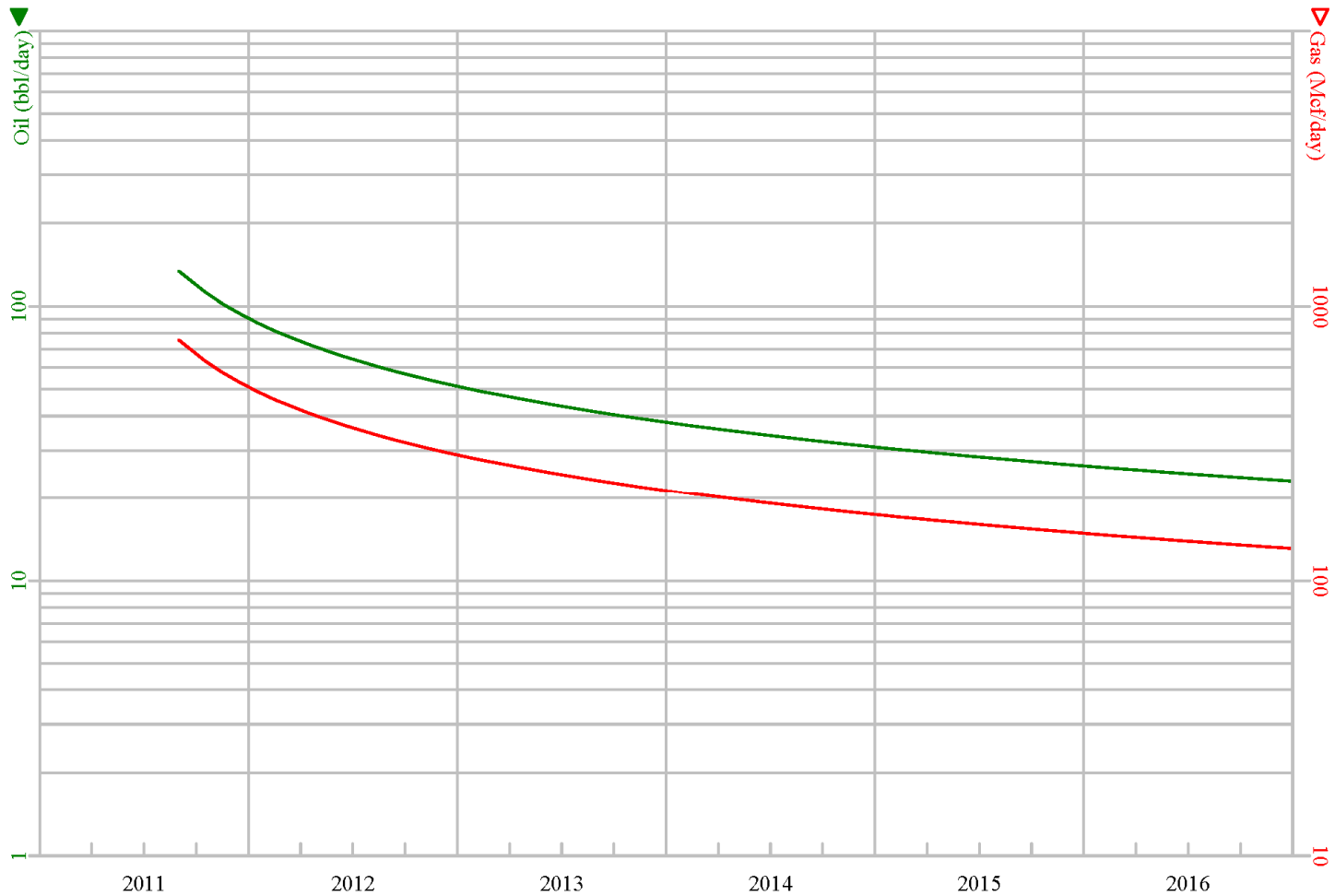
	Oil	Gas	Present Worth Profile (M\$)
Gross Wells	1	0	50.00
Gross Title, Mblbl & MMcf	210,463	1,183,818	12.00
Gross Cum. Mblbl & MMcf	0.000	0.000	1,194
Gross Res. Mblbl & MMcf	210,463	1,183,818	1,309
Net Res. Mblbl & MMcf	161,109	907,744	5.99
Net Revenue M\$	16,482,302	5,105,936	2.72
Initial Price, \$/bbl & \$/Mcf	97,300	4,490	68.76
Initial NRI, %	76,530	76,530	100.000
Final NRI, %	76,530	76,530	100.000

# SAMPLE PUD ECONOMIC RUN\* (410 MBOE)

# MISSISSIPPIAN LIME HORIZONTAL TYPE CURVE

Case Name: MISSISSIPPIAN PUD  
 Oper: VARIOUS  
 Major Phase: Oil

Field: MISSISSIPPI LIME  
 County, State: Grant, OK



Proj Oil Cum: 0.00 Mbbl  
 Oil Rem: 210.46 Mbbl  
 Oil EUR: 210.46 Mbbl

Proj Gas Cum: 0.00 MMcf  
 Gas Rem: 1,185.82 MMcf  
 Gas EUR: 1,185.82 MMcf

MISSISSIPPIAN LIME TYPE CURVE

## LEASE SCHEDULE\*

## GAW LEASE SCHEDULE

## GRANT &amp; ALFALFA COUNTIES, OKLAHOMA

LEGALS (by 1/4 Section)	NET ACRES	WI (%)	NRI (%)	LEASE NRI (%)	LEASE DATE	STATUS
<b>T28N-R6W</b>						
SE/4 3-28N-6W	160	100.00	75.00	75.00	11/10/2000	HBP
SE/4 4-28N-6W	160	100.00	76.88	76.88	9/26/2000	HBP
SW/4 4-28N-6W	160	100.00	76.88	76.88	9/26/2000	HBP
NE/4 4-28N-6W	160	100.00	76.88	76.88	1/8/2001	HBP
NW/4 5-28N-6W	164	100.00	76.72	76.72	12/5/2008	HBP
NW/4 6-28N-6W	160	100.00	75.63	75.63	2/28/2001	HBP
SW/4 6-28N-6W	160	100.00	75.63	75.63	2/28/2001	HBP
SE/4 6-28N-6W	160	100.00	76.88	76.88	3/13/2001	HBP
NE/4 7-28N-6W	160	100.00	76.88	76.88	10/1/2003	HBP
NW/4 7-28N-6W	164	100.00	76.88	76.88	7/21/2004	HBP
SW/4 7-28N-6W	163	100.00	76.88	76.88	1/23/2004	HBP
NW/4 8-28N-6W	160	100.00	76.88	76.88	1/22/2001	HBP
NE/4 9-28N-6W	160	100.00	76.63	76.63	1/17/2001	HBP
NW/4 9-28N-6W	160	100.00	76.88	76.88	3/11/2004	HBP
NW/4 10-28N-6W	160	100.00	75.63	75.63	1/18/2001	HBP
NE/4 10-28N-6W	130	81.25	60.86	74.90	2/16/2001	HBP
<b>28N-7W</b>						
NE/4 1-28N-7W	167	100.00	76.88	76.88	3/3/2005	HBP
SE/4 1-28N-7W	160	100.00	76.88	76.88	5/1/2006	HBP
NW/4 2-28N-7W	169	100.00	75.63	75.63	4/3/2006	HBP
NW/4 3-28N-7W	160	100.00	76.88	76.88	2/12/2003	HBP
SW/4 3-28N-7W	160	100.00	76.88	76.88	2/12/2003	HBP
NE/4 3-28N-7W	170	100.00	75.63	75.63	9/9/2003	HBP
SE/4 3-28N-7W	160	100.00	76.88	76.88	3/9/2001	HBP
SE/4 4-28N-7W	160	100.00	76.88	76.88	10/11/2002	HBP
NW/4 10-28N-7W	169	100.00	76.88	76.88	9/23/2002	HBP
NE/4 10-28N-7W	160	100.00	76.88	76.88	7/23/2002	HBP
NE/4 12-28N-7W	160	100.00	76.88	76.88	9/20/2004	HBP

\* Detailed lease schedule is available upon request

## LEASE SCHEDULE\*

## GAW LEASE SCHEDULE

## GRANT &amp; ALFALFA COUNTIES, OKLAHOMA

LEGALS (by 1/4 Section)	NET ACRES	WI (%)	NRI (%)	LEASE NRI (%)	LEASE DATE	STATUS
<b>28N-8W</b>						
SE/4 14-28N-8W	160	100.00	76.88	76.88	6/29/2004	HBP
NW/4 19-28N-8W	160	100.00	76.88	76.88	10/24/2006	HBP
SW/4 19-28N-8W	160	100.00	76.88	76.88	12/21/2006	HBP
S/2 SE/4 22-28N-8W	80	100.00	76.25	76.25	9/10/2004	HBP
<b>29N-6W</b>						
NW/4 31-29N-6W	160	100.00	75.63	75.63	6/1/2004	HBP
<b>29N-7W</b>						
SE/4 19-29N-7W	160	100.00	76.88	76.88	3/10/2004	HBP
SW/4 20-29N-7W	160	100.00	76.88	76.88	3/1/2004	HBP
SW/4 21-29N-7W	160	100.00	76.88	76.88	3/1/2004	HBP
NE/4 26-29N-7W	160	100.00	76.88	76.88	5/15/2009	Primary Term Expires May '12
NW/4 26-29N-7W	160	100.00	76.88	76.88	5/15/2009	Primary Term Expires May '12
SW/4 26-29N-7W	160	100.00	76.88	76.88	5/15/2009	Primary Term Expires May '12
SE/4 26-29N-7W	160	100.00	76.88	76.88	5/15/2009	Primary Term Expires May '12
SE/4 28-29N-7W	160	100.00	76.88	76.88	4/11/2001	HBP
NW/4 35-29N-7W	160	100.00	76.88	76.88	9/20/2004	HBP
NE/4 35-29N-7W	160	100.00	75.63	75.63	3/17/2004	HBP
SW/4 35-29N-7W	160	100.00	76.88	76.88	3/10/2004	HBP
<b>29N-8W</b>						
SW/4 24-29N-8W	160	100.00	76.88	76.88	7/14/2004	HBP
<b>28N-9W</b>						
NE/4 24-28N-9W	160	100.00	76.00	76.00	11/24/2009	HBP
<b>TOTAL NET ACRES</b>	<b>7,135</b>					
<b>WEIGHTED AVG. LEASE NRI (%)</b>	<b>76.56</b>					

\* Detailed lease schedule is available upon request

## DISCLAIMER

The information contained in the enclosed package was compiled by GAW Oil Co., LLC and Albrecht & Associates, Inc. ("Albrecht") personnel to assist prospective purchasers in their evaluations of the Properties. Although this information is believed by GAW Oil Co., LLC and Albrecht to be complete and accurate in all material respects as of the date of this letter (or other date specifically stated), GAW Oil Co., LLC and Albrecht disclaim any and all liability for the statements contained herein and make no representation or warranty as to the completeness or accuracy of the enclosed package or the information contained herein, or any other written material furnished or information orally transmitted to a prospective purchaser including, but not limited to, any information which may be provided to a prospective purchaser by GAW Oil Co., LLC or Albrecht, or any officer, director, partner, shareholder, employee, agent, or representative thereof. The only representations and warranties that GAW Oil Co., LLC shall make with respect to the Properties shall be set forth in the definitive purchase and sales agreement executed between GAW Oil Co., LLC and the prospective purchaser. In particular, GAW Oil Co., LLC and Albrecht are not making and will not make any representation or warranty of any kind as to the amount of "in place" or recoverable oil and gas reserves (proved, probable or otherwise) attributable to the Properties, as to geological and engineering interpretations related thereto or as to prices which will be received for production. GAW Oil Co., LLC and Albrecht reserve the right to change materials in this package or any other information that may be available to prospective purchasers at any time, either by revision of existing material or addition of new material.

Each prospective purchaser should conduct and rely solely on an independent investigation and evaluation of, and appraisal and judgment with respect to the geologic and geophysical characteristics of the Properties described in the package, the estimated hydrocarbon reserves recoverable therefrom, and the price and expense assumptions applicable thereto.

Albrecht is the sole party authorized by GAW Oil Co., LLC to seek offers for the Properties. No fee will be paid by GAW Oil Co., LLC or Albrecht to any broker or finder in connection with the proposed transaction.

Albrecht & Associates, Inc.

August 5, 2011

**albrecht & associates, inc.**  
oil & gas divestment specialists

Harrison Williams	<a href="mailto:hwilliams@albrechtai.com">hwilliams@albrechtai.com</a>	(713) 951-9586
Randy Dolan, P.E.	<a href="mailto:randy@albrechtai.com">randy@albrechtai.com</a>	(713) 951-9586
Chuck Rudolph	<a href="mailto:chuck@albrechtai.com">chuck@albrechtai.com</a>	(303) 839-5627