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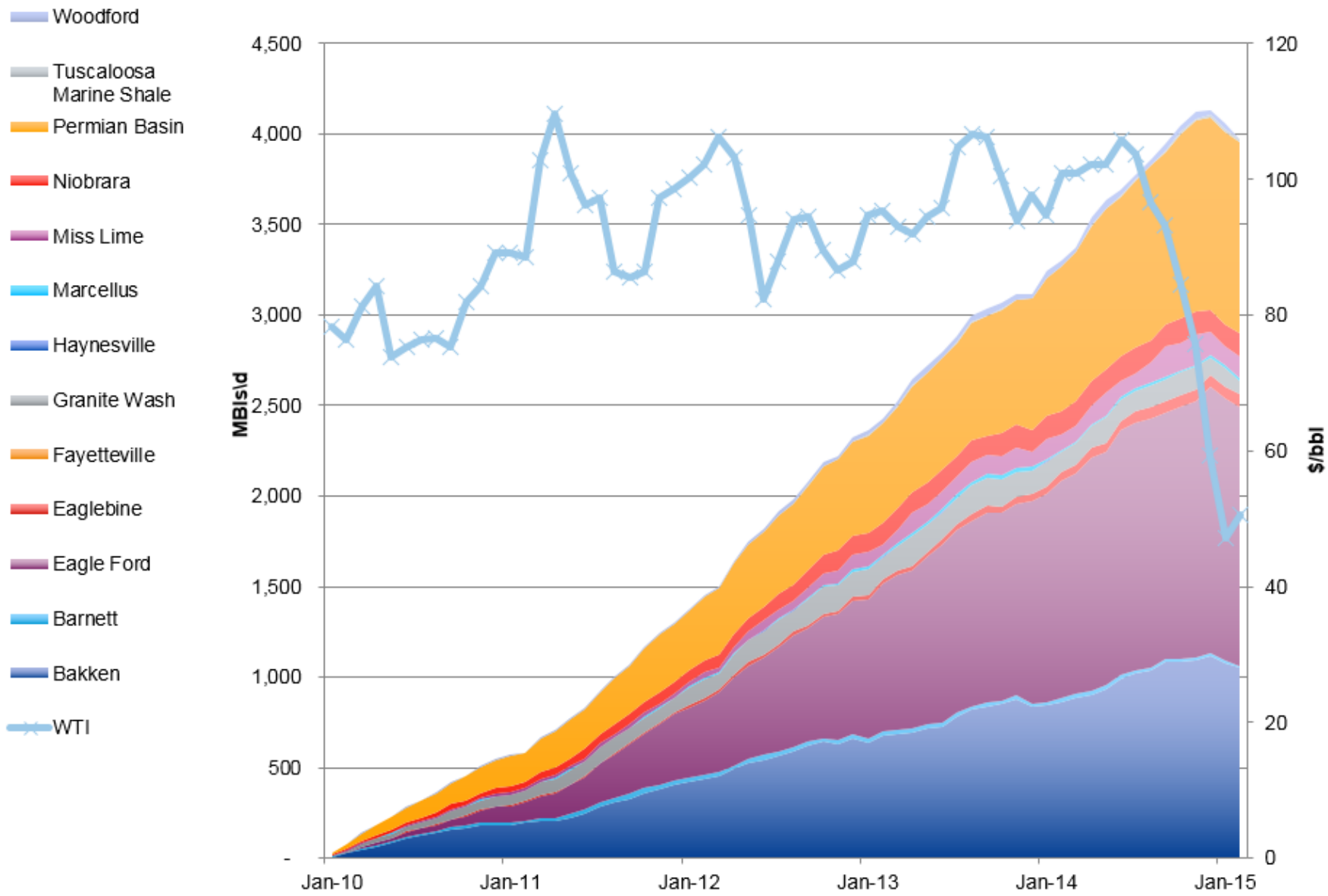
US Unconventional Play Advances and Impacts

Corey Rhoden, Senior Vice President

August 2015


DRILLINGINFO is a leading, data-powered SAAS company empowering the Oil & Gas industry with intelligence and analytics needed to succeed.

Oil Production From US Shale Plays



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U.S. SHALES:
WHAT IS BREAK-EVEN?

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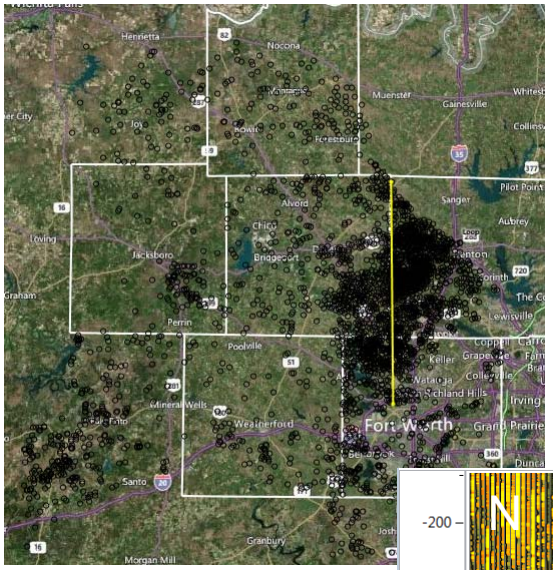
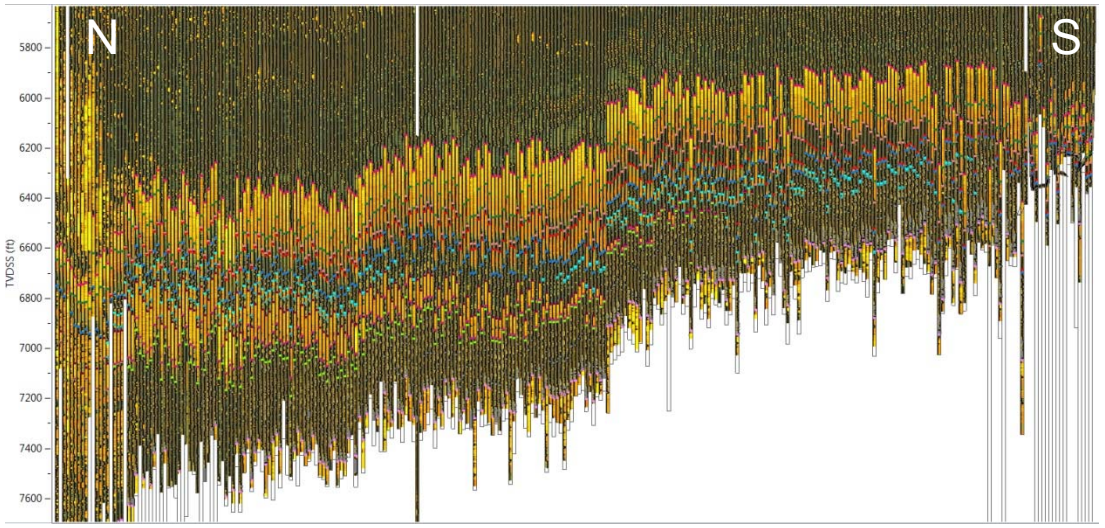
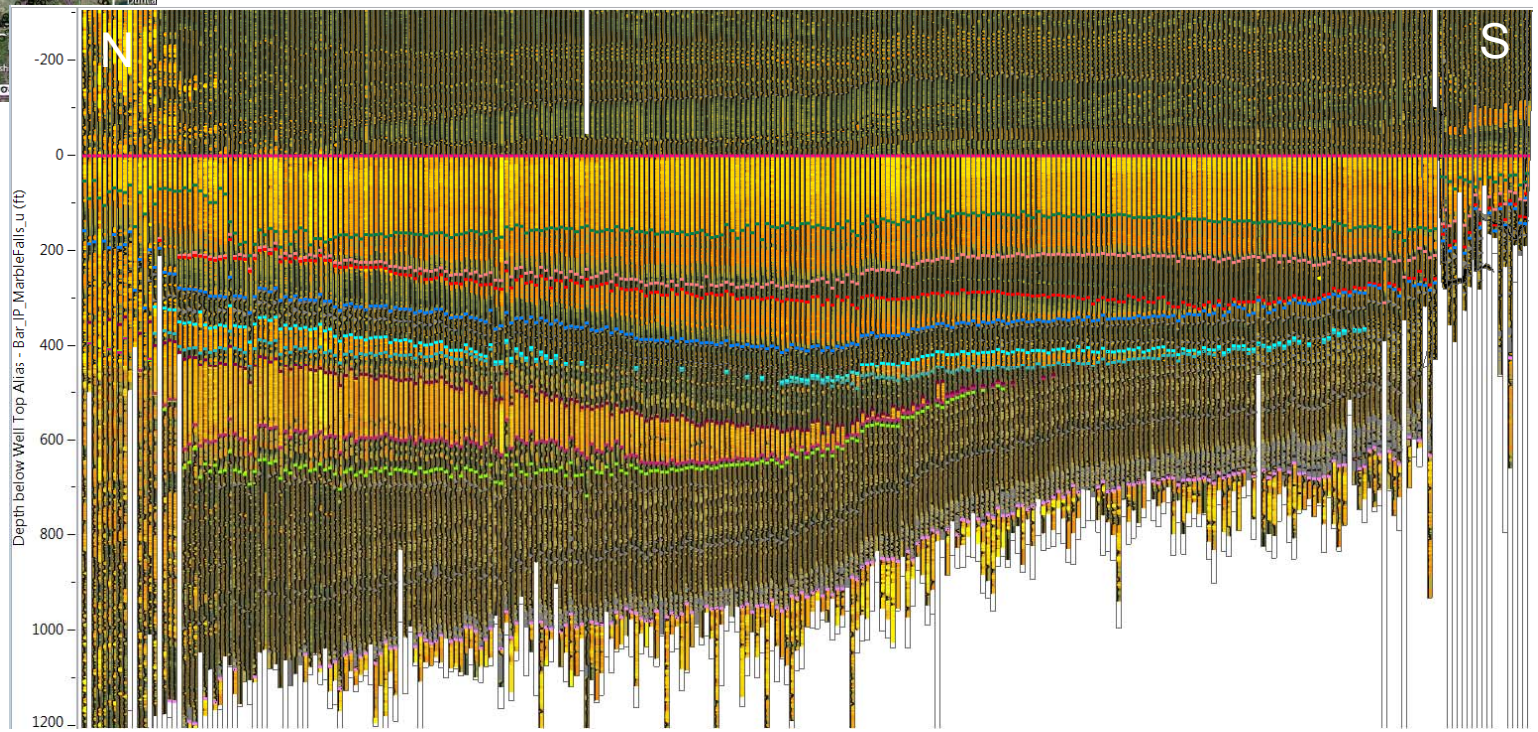
Strike (N-S) Cross-section

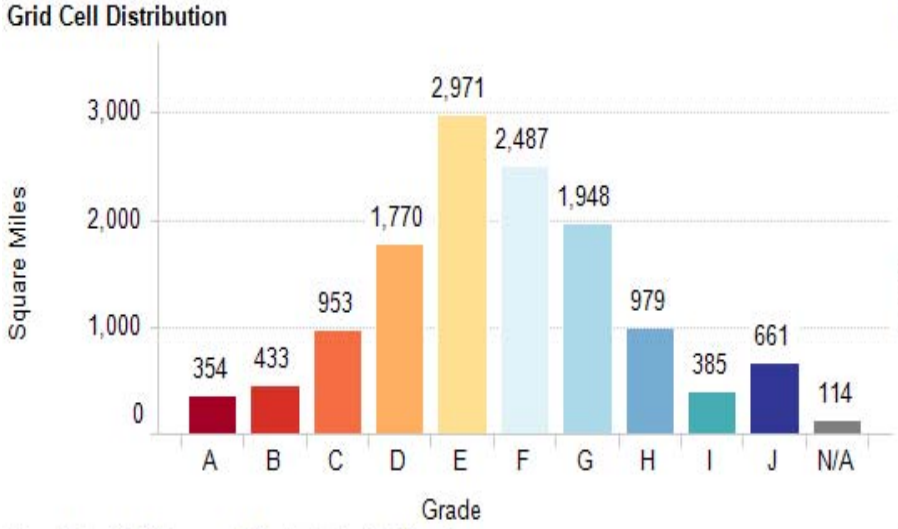


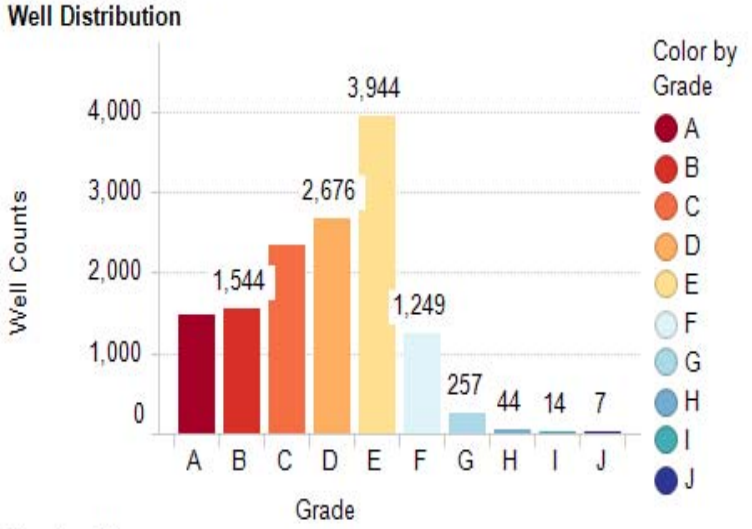


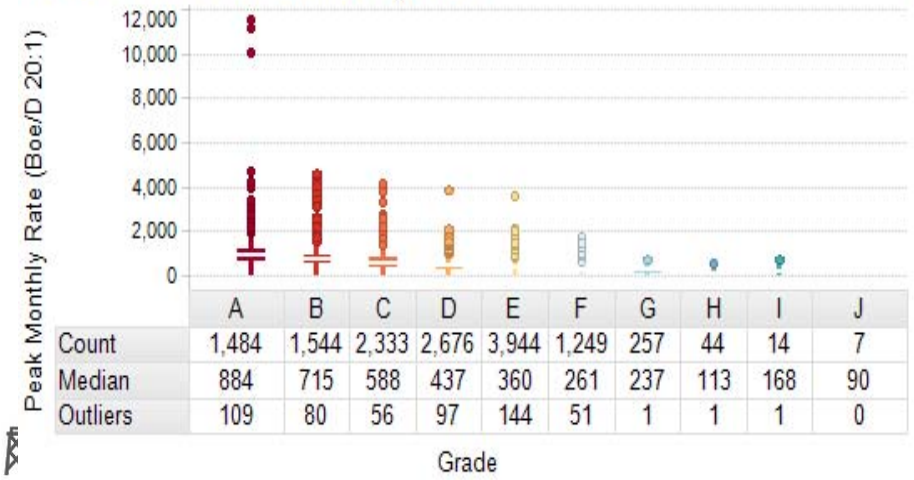
Flattened on Top of Marble Falls



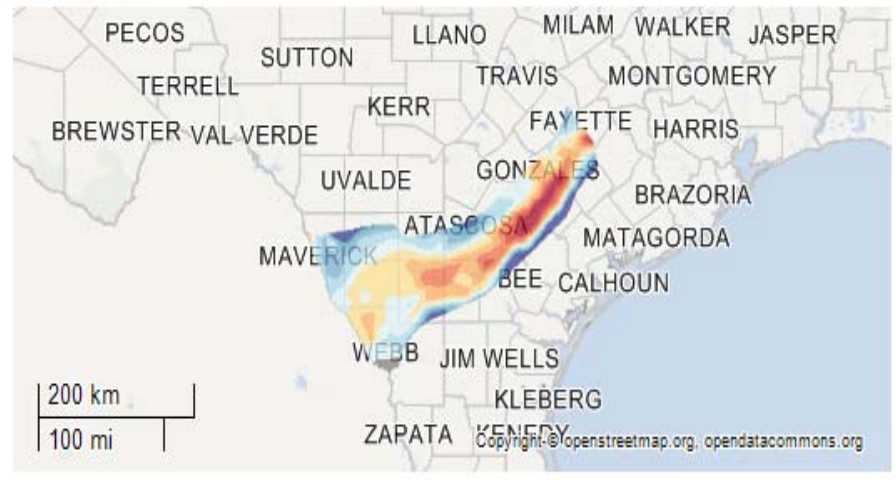
EAGLE FORD ACREAGE QUALITY BREAKDOWN



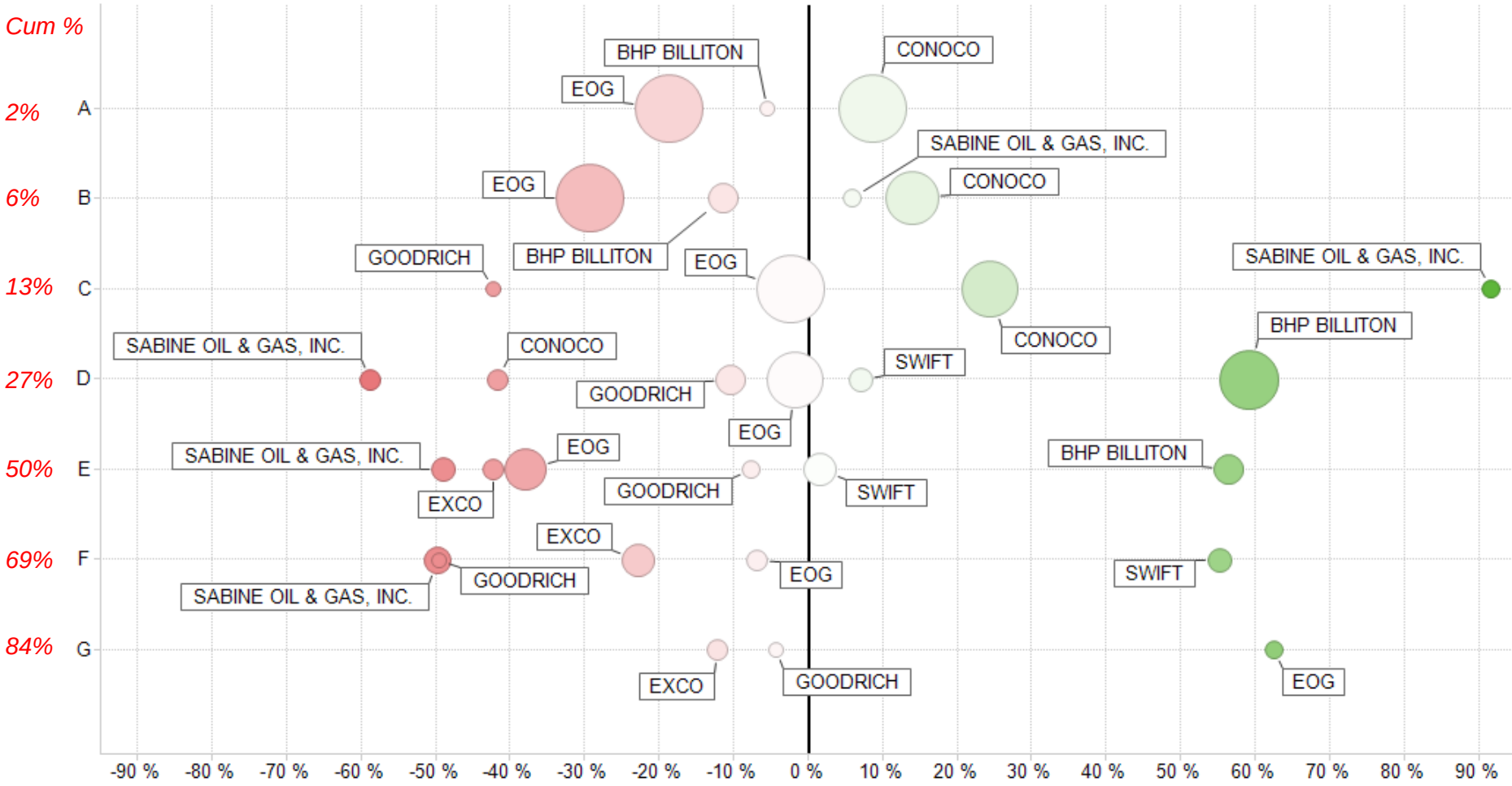




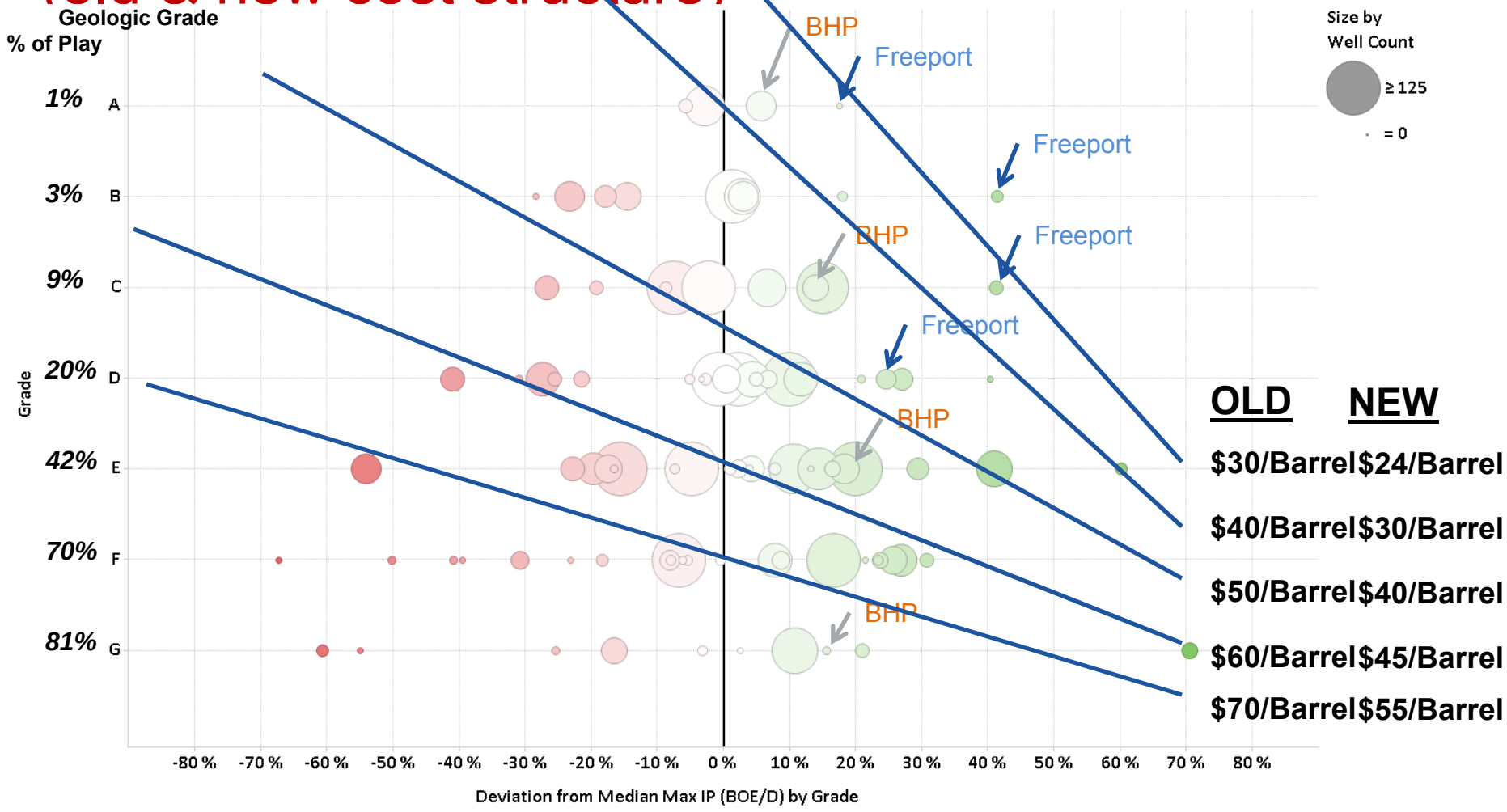
	A	B	C	D	E	F	G	H	I	J
Count	1,484	1,544	2,333	2,676	3,944	1,249	257	44	14	7
Median	884	715	588	437	360	261	237	113	168	90
Outliers	109	80	56	97	144	51	1	1	1	0



Eagle Ford: Horizontal Wells, 12 month cum boe 6:1

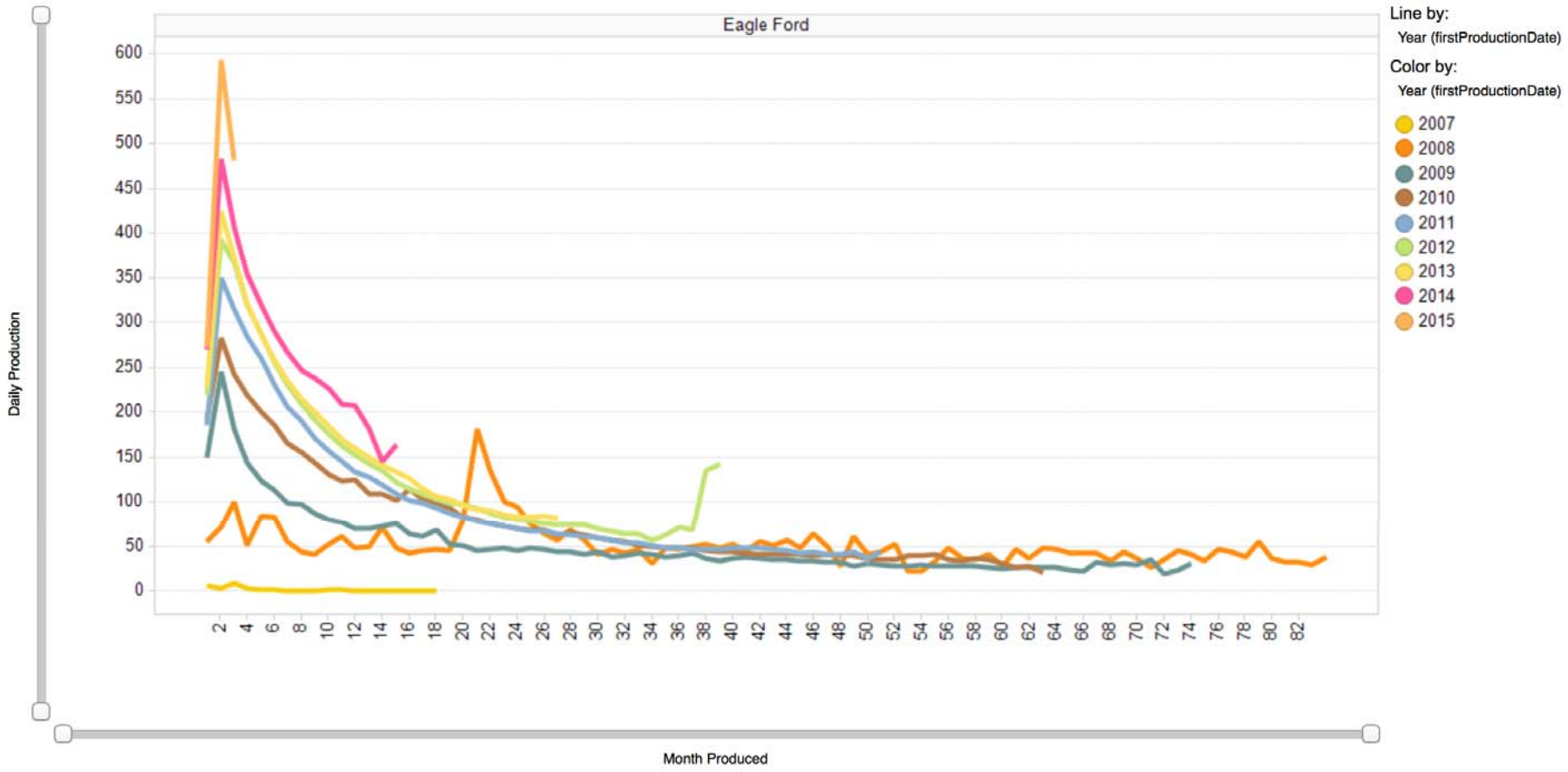


Eagle Ford Operator Performance Differential (old & new cost structure)



Source: DI Analytics, Deviation based on Max IP BOE/D 20:1 basis

EAGLE FORD TYPE CURVES BY VINTAGE



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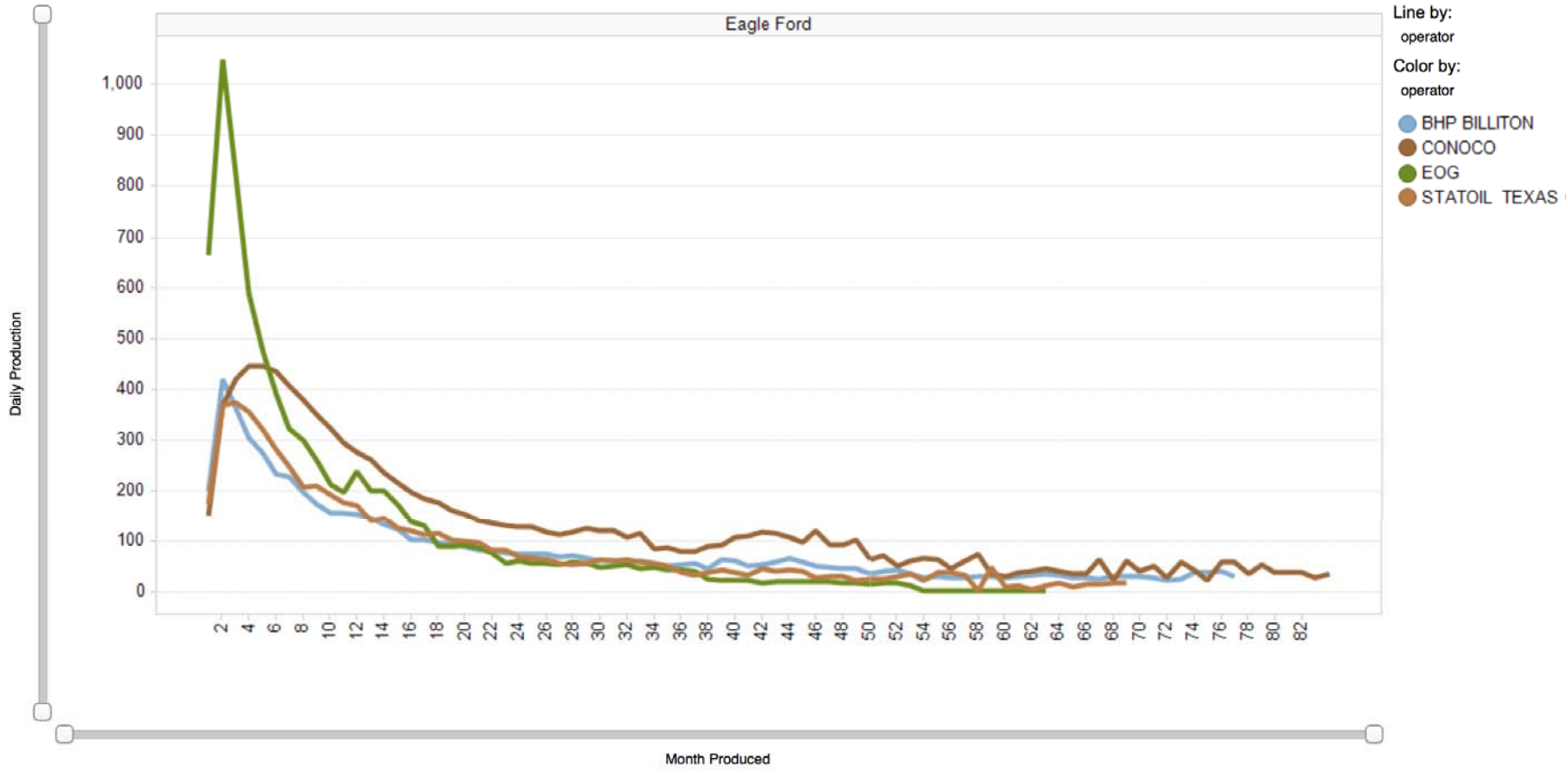
EAGLE FORD OPERATOR TYPE CURVES



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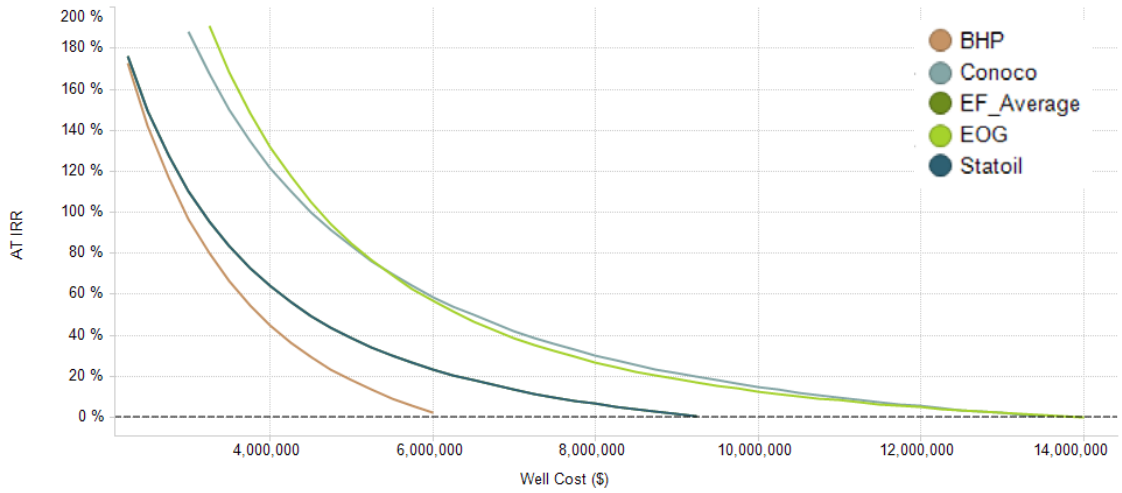
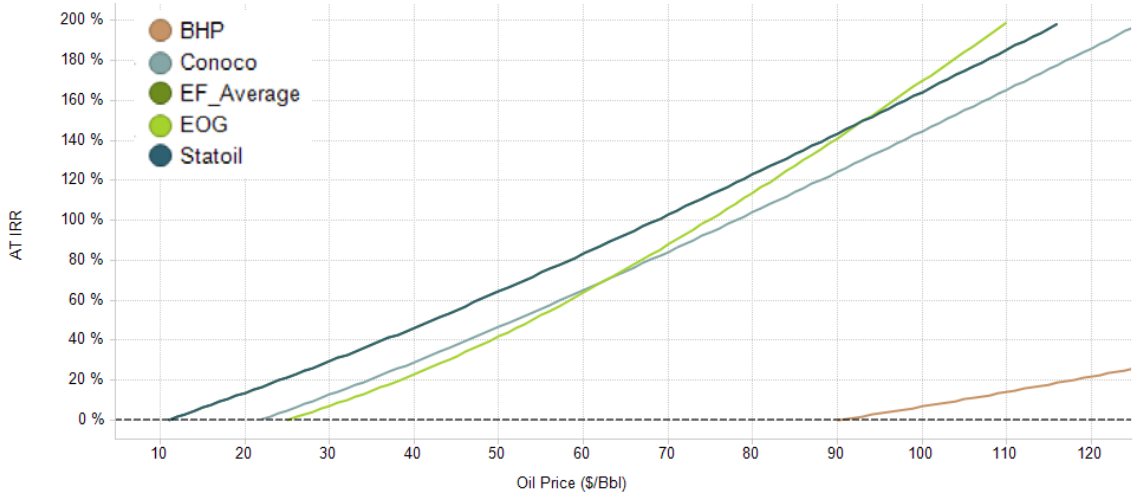
EAGLEFORD OPERATORS

Well Cost Sensitivities



Oil Price Sensitivities



Operator: Payout vs. EUR

	Payout (Mos)	EUR (mbbl)
BHP	N/A	130
Conoco	13	305
EOG	12	350
Statoil	10	180
Eagle Ford Average	10	180

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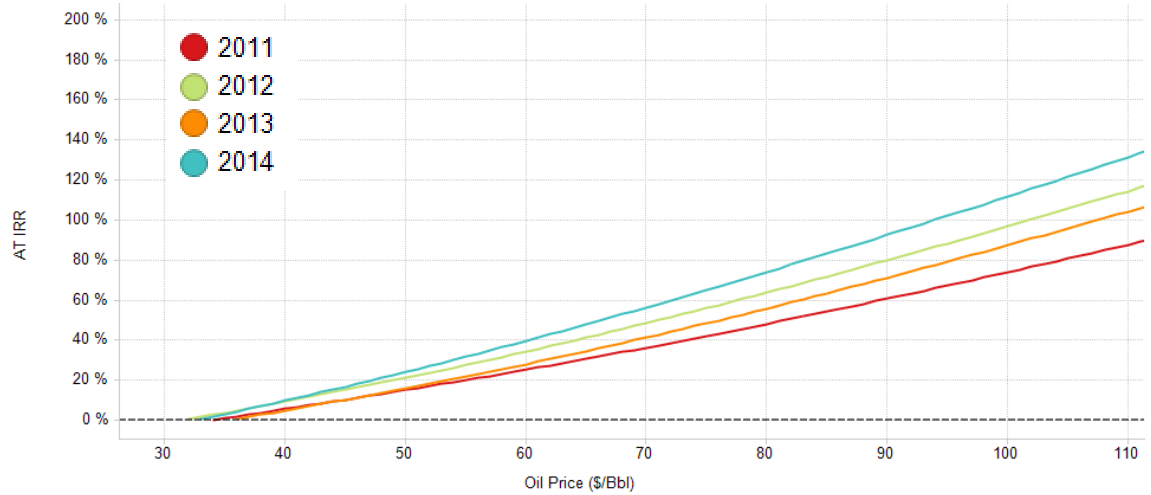
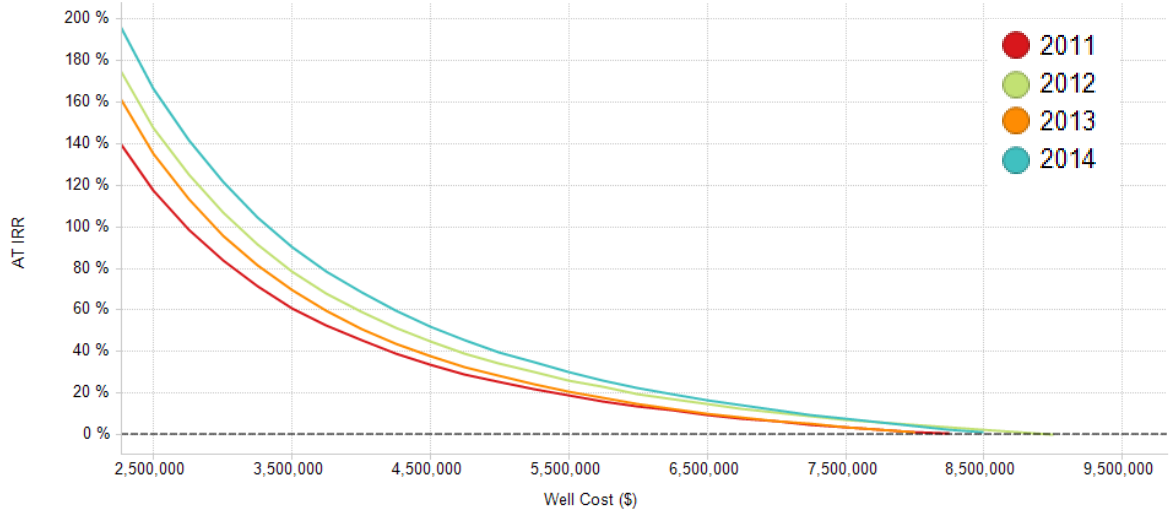
EAGLE FORD SHALE PERFORMANCE OVER TIME

Oil Price Sensitivities



Well Cost Sensitivities



Vintage: Payout vs. EUR

	Payout (Mos)	EUR (mbbl)
2011	27	185
2012	21	208
2013	24	194
2014	18	198

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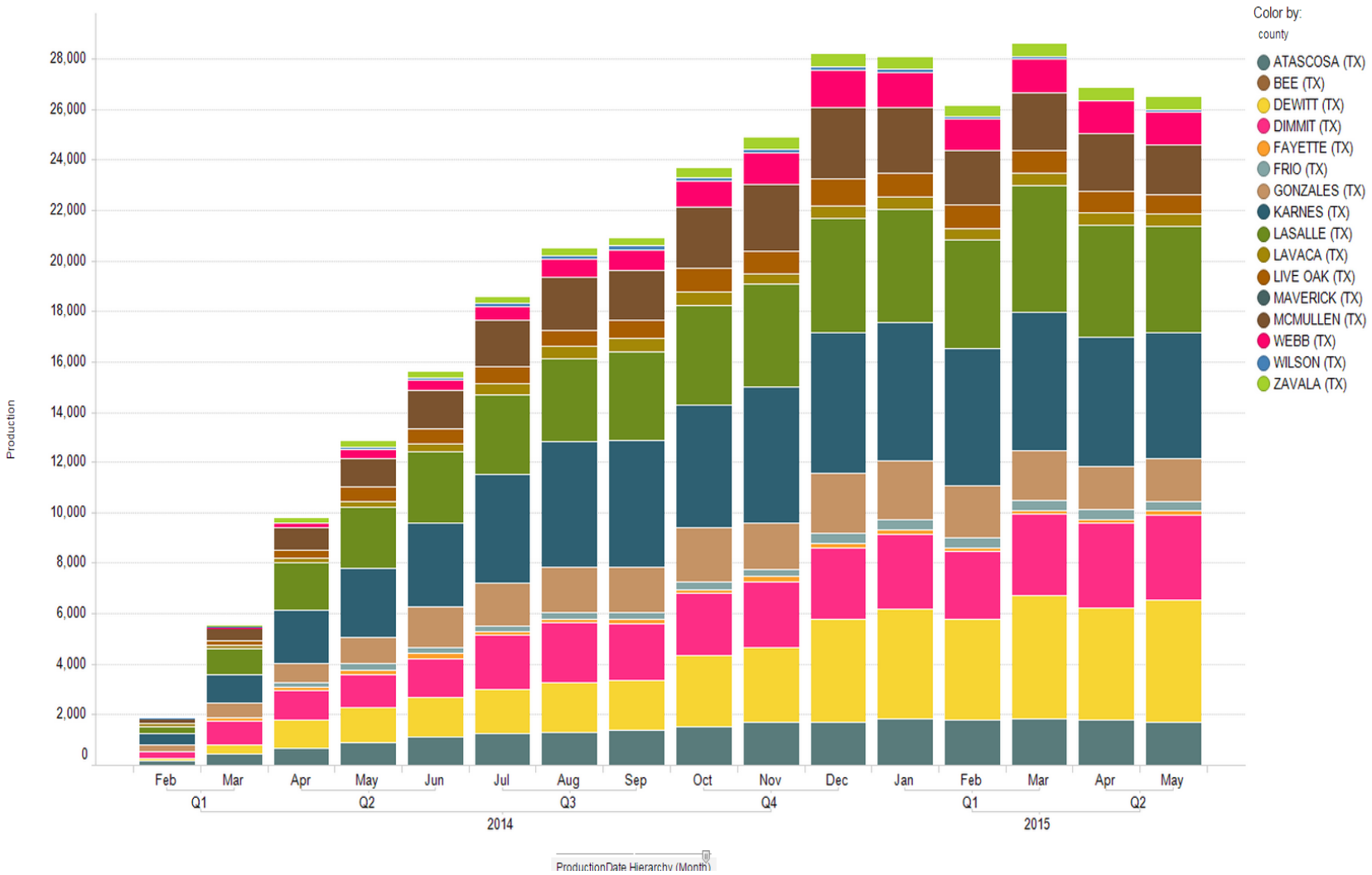
EAGLEFORD PRODUCTION THROUGH MAY 2015



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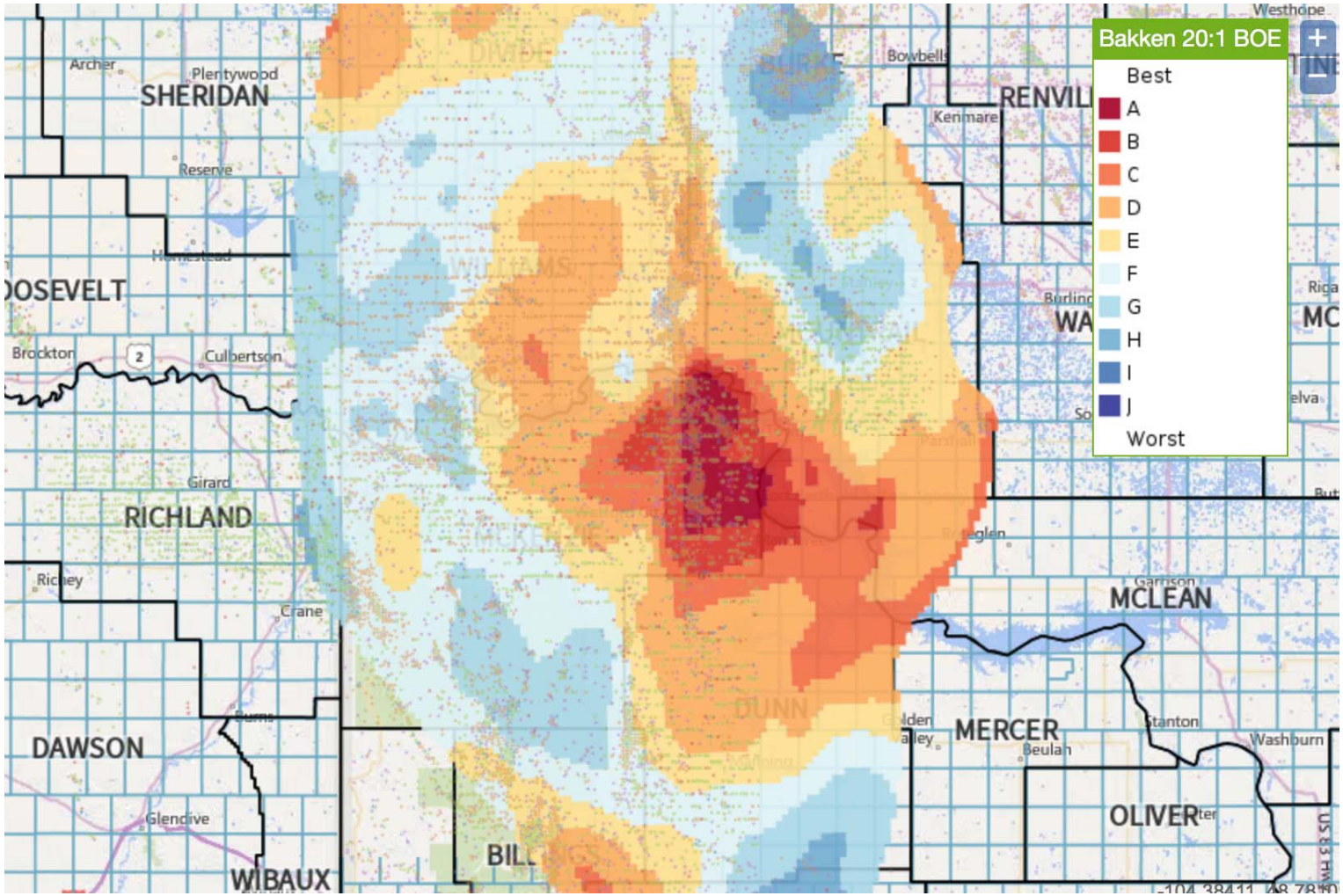
U.S. BAKKEN GRADED ACREAGE



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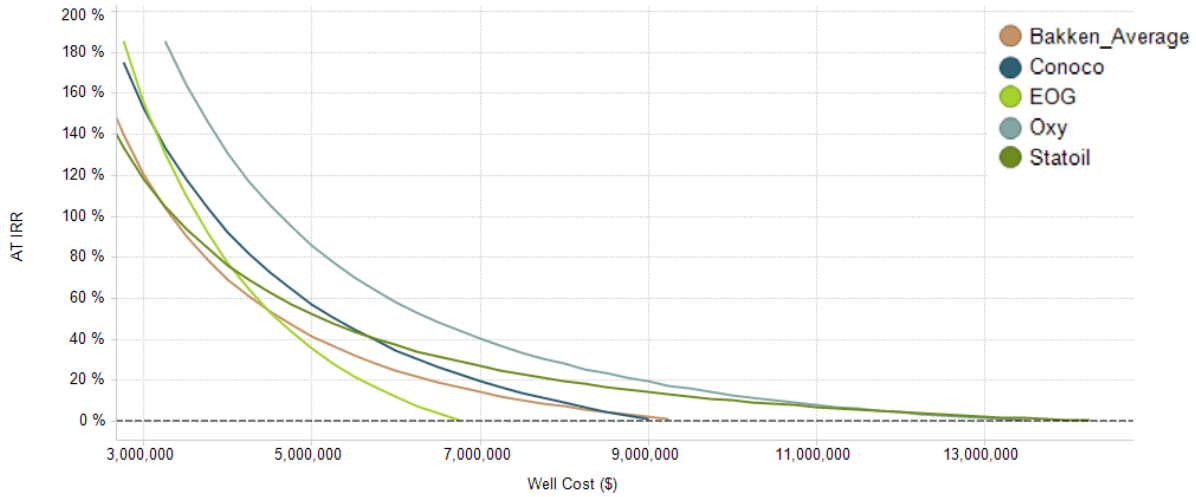
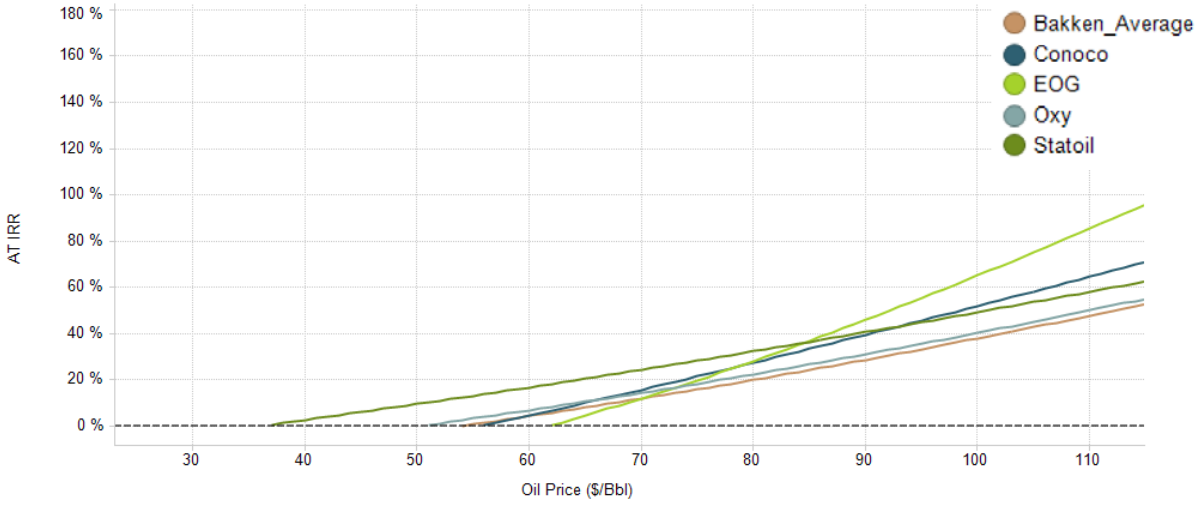
BAKKEN OPERATORS

Well Cost Sensitivities



Oil Price Sensitivities



Operator: Payout vs. EUR

	Payout (Mos)	EUR (mbbl)
Bakken Average	77	240
Conoco	51	215
EOG	N/A	165
OXY	18	195
Statoil	41	355

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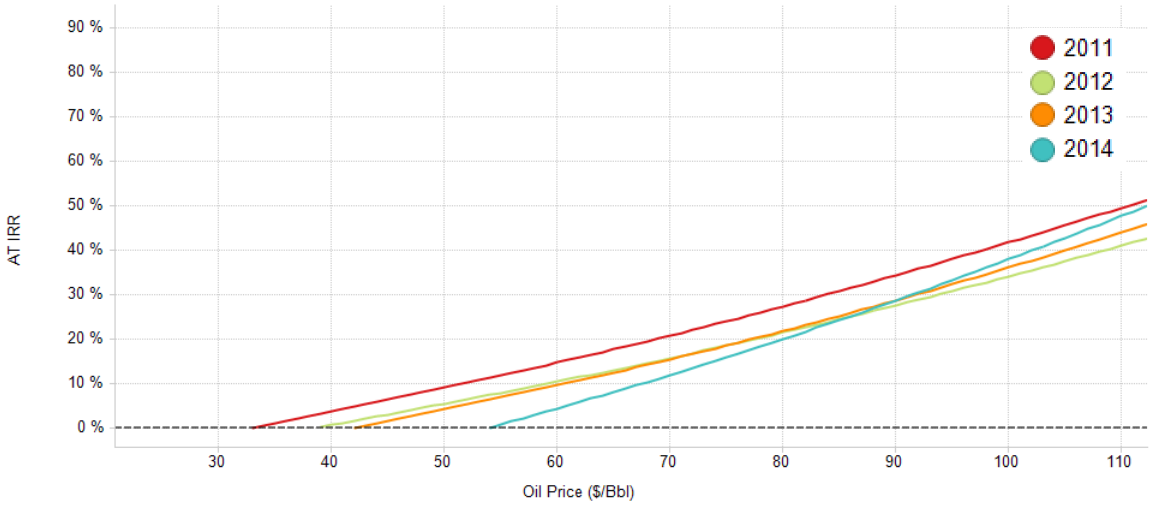
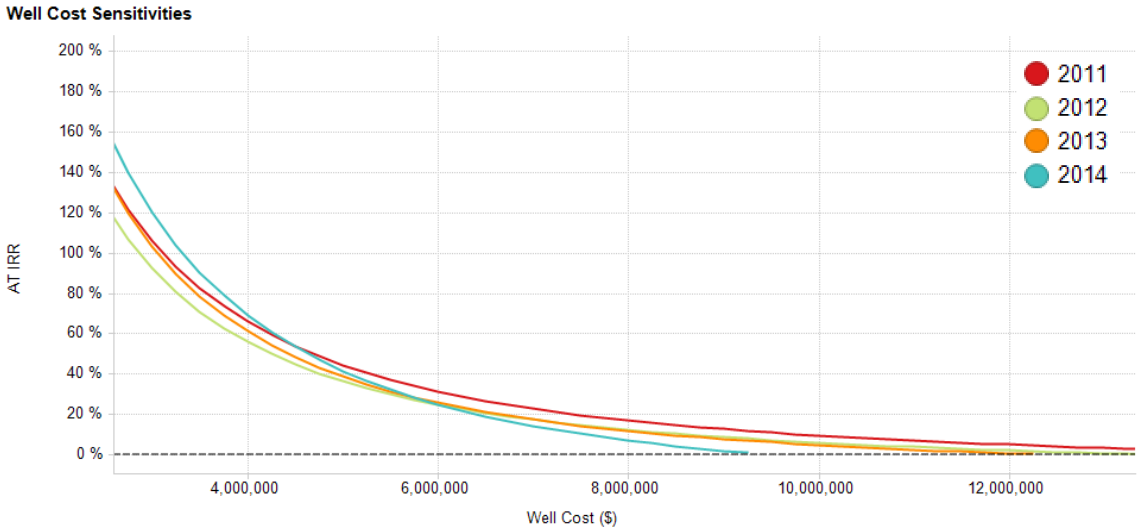
BAKKEN SHALE PERFORMANCE OVER TIME

Oil Price Sensitivities



Well Cost Sensitivities



Vintage: Payout vs. EUR

	Payout (Mos)	EUR (mbbl)
2011	51	400
2012	66	345
2013	66	315
2014	76	240

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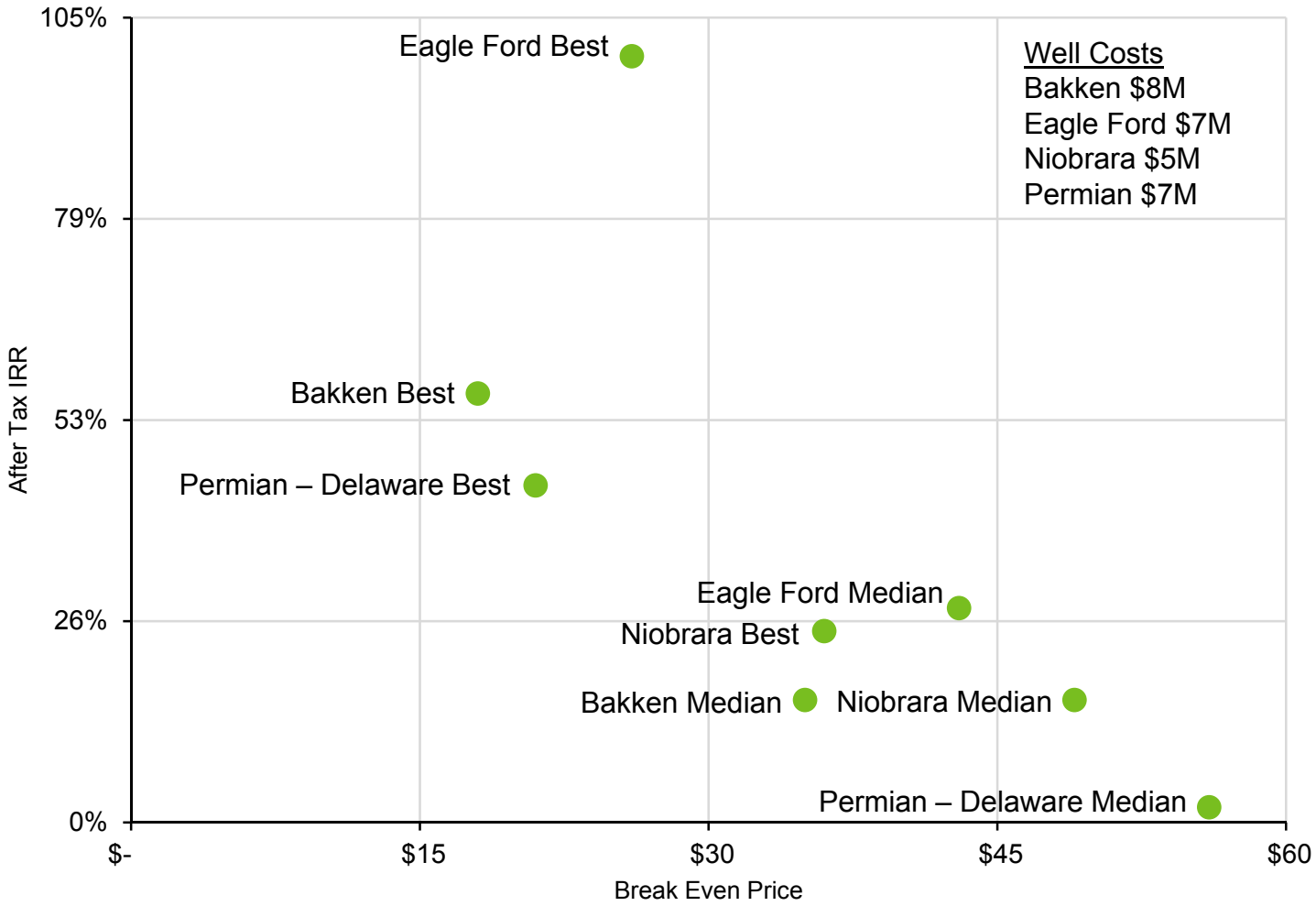
BREAK EVEN PRICE AND AFTER TAX IRR BY PLAY



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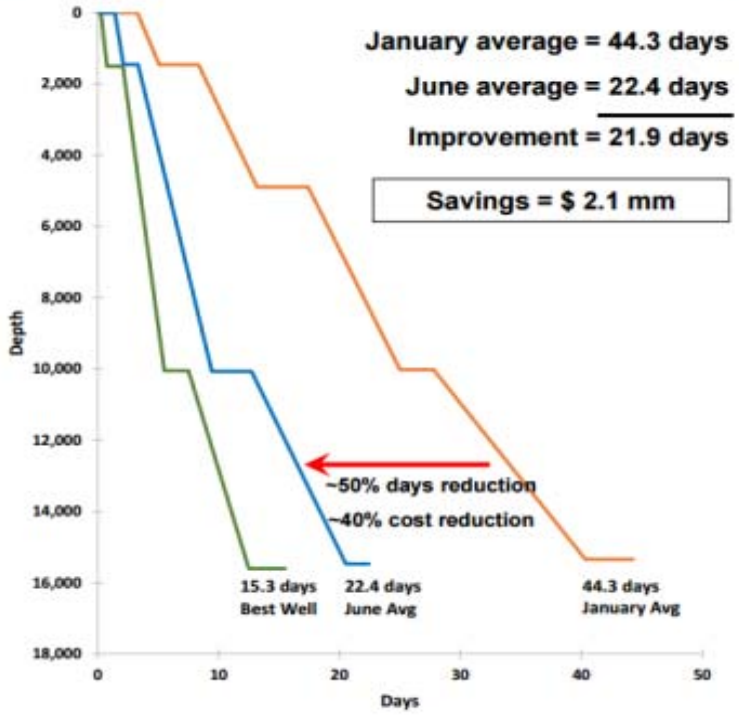
Second Quarter 2015 Earnings
Permian Resources – Drilling Efficiency

Delaware Basin Wolfcamp A well drilling time reduced by ~50% and costs by ~40%

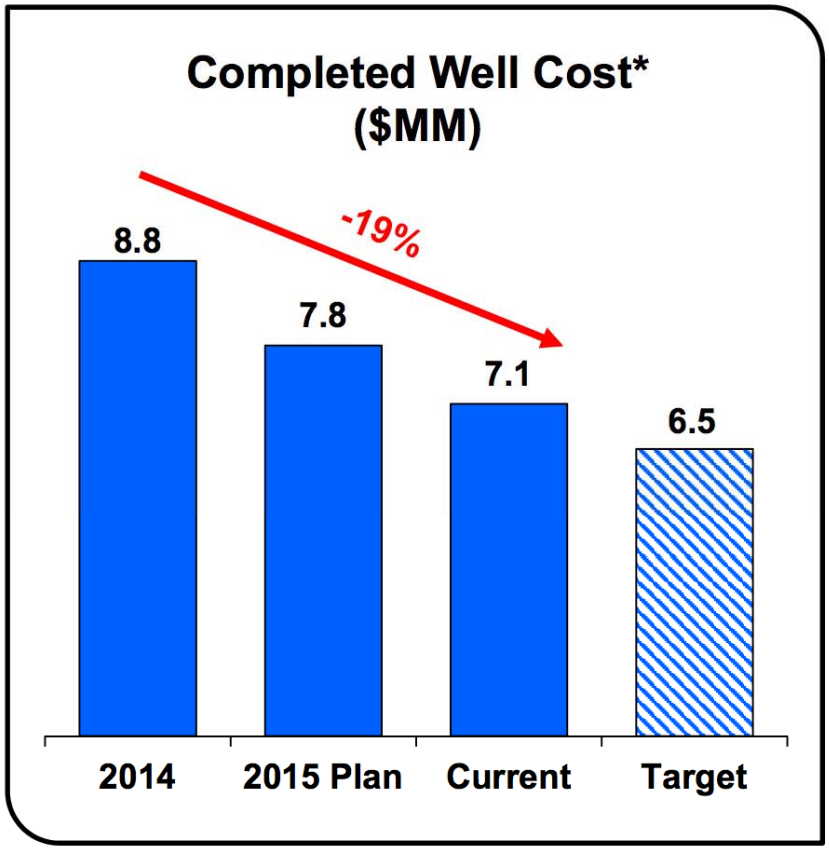
Technology	Days
Multi-well pad, reduced move time	1.8
High-resolution benchmarking	1.5
Advanced mud system to eliminate casing across salt interval	5.1
Oxy Drilling Dynamics	8.5
Curve building optimization	1.2
Vibration reduction to eliminate downhole tool failures	1.7
Rig site crew efficiency	2.1
Total Days Reduction	**21.9**

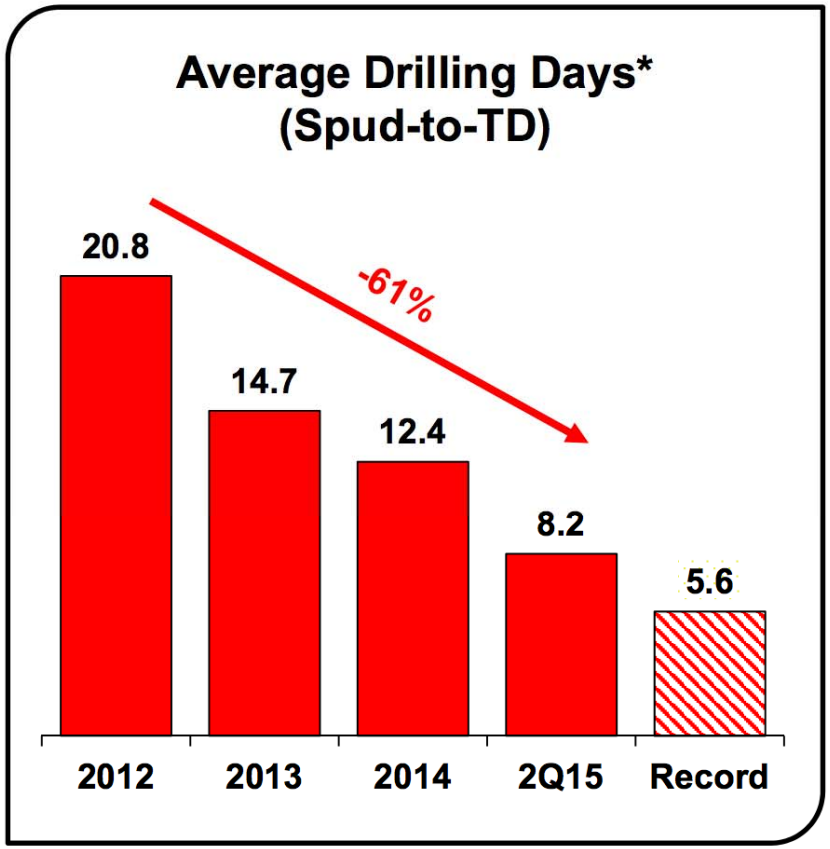


27

Source: Oxy Q2 2015 Earnings Report

EOG Resources
Bakken Performance





Source: EOG Resources Investor Presentation 08-2015. See for additional details

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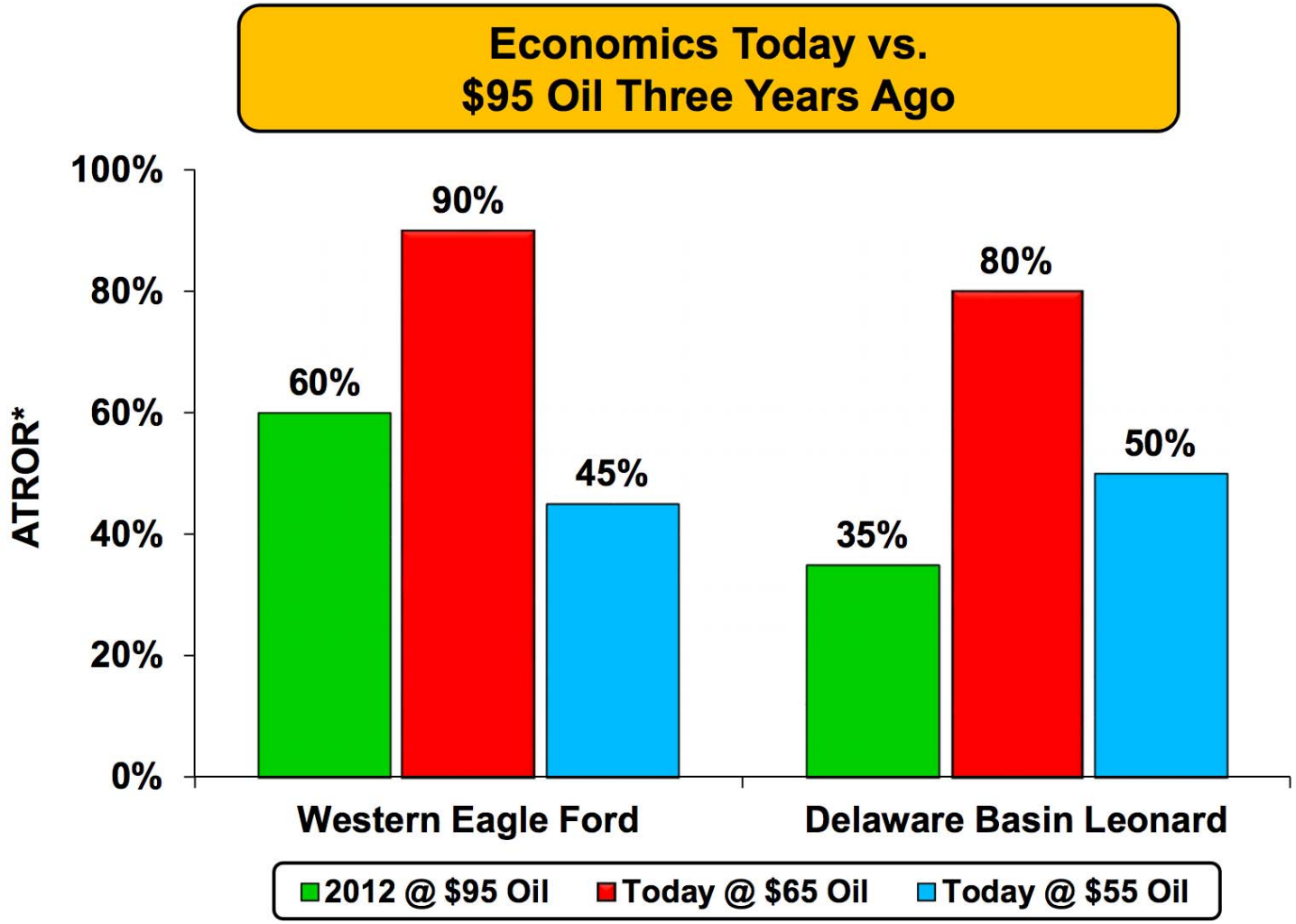
EOG Resources
Current Returns Versus 2012



Source: EOG Resources Investor Presentation 08-2015. See for additional details

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TECHNOLOGY CONTINUES TO IMPROVE EFFICIENCY

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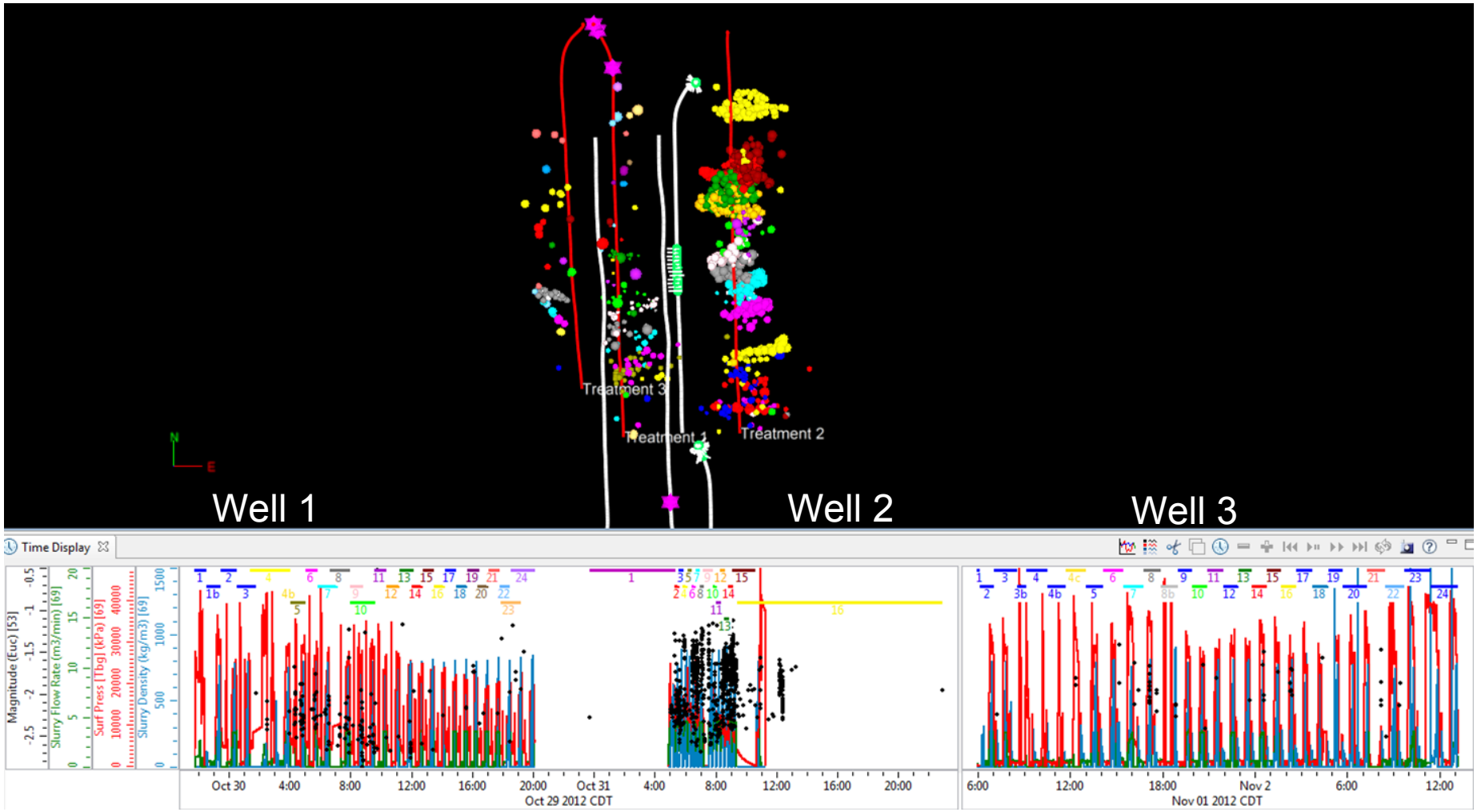
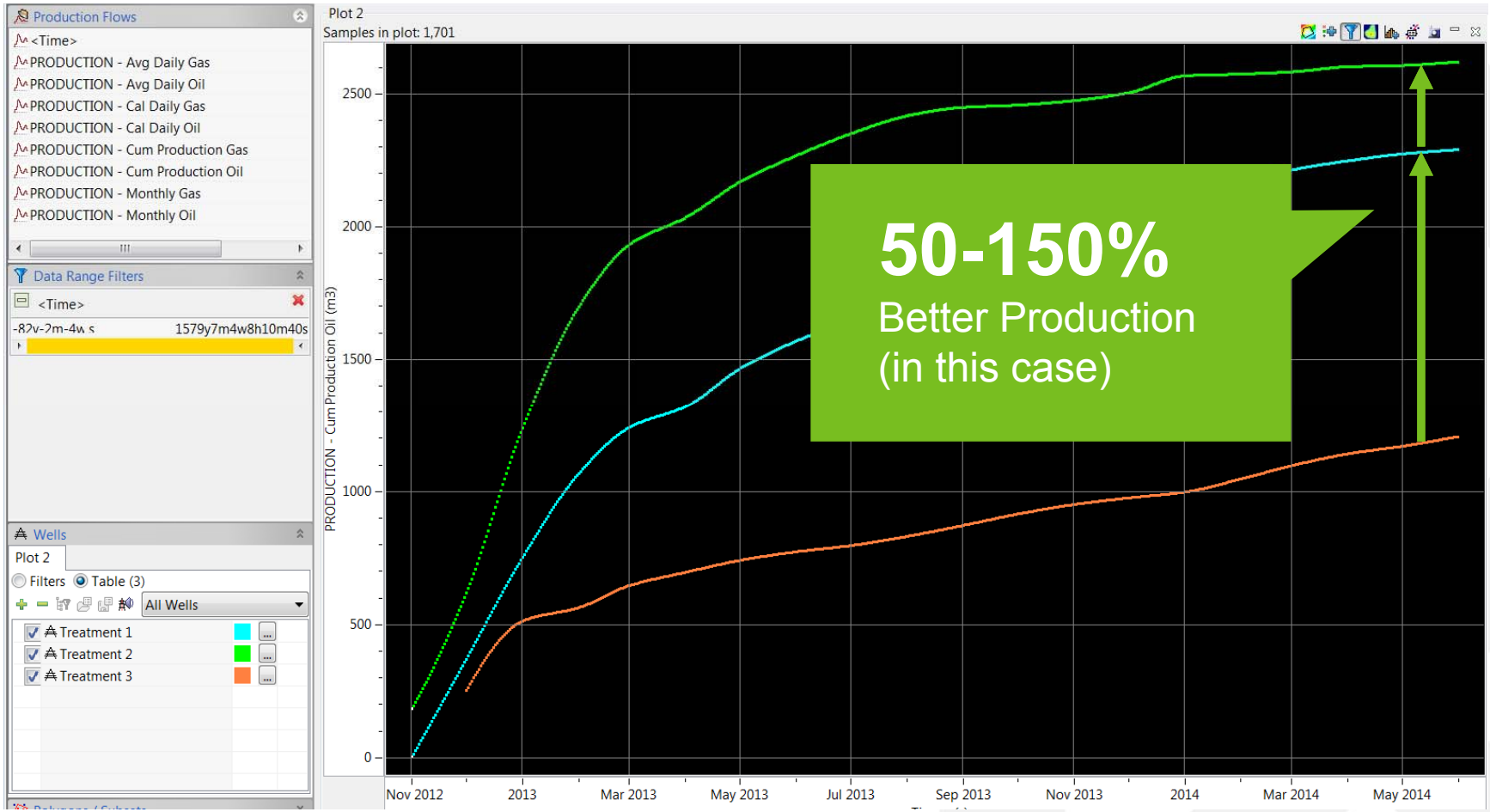
Production Variations By Completion/Stimulation Practices



Production Variations By Completion/Stimulation Practices



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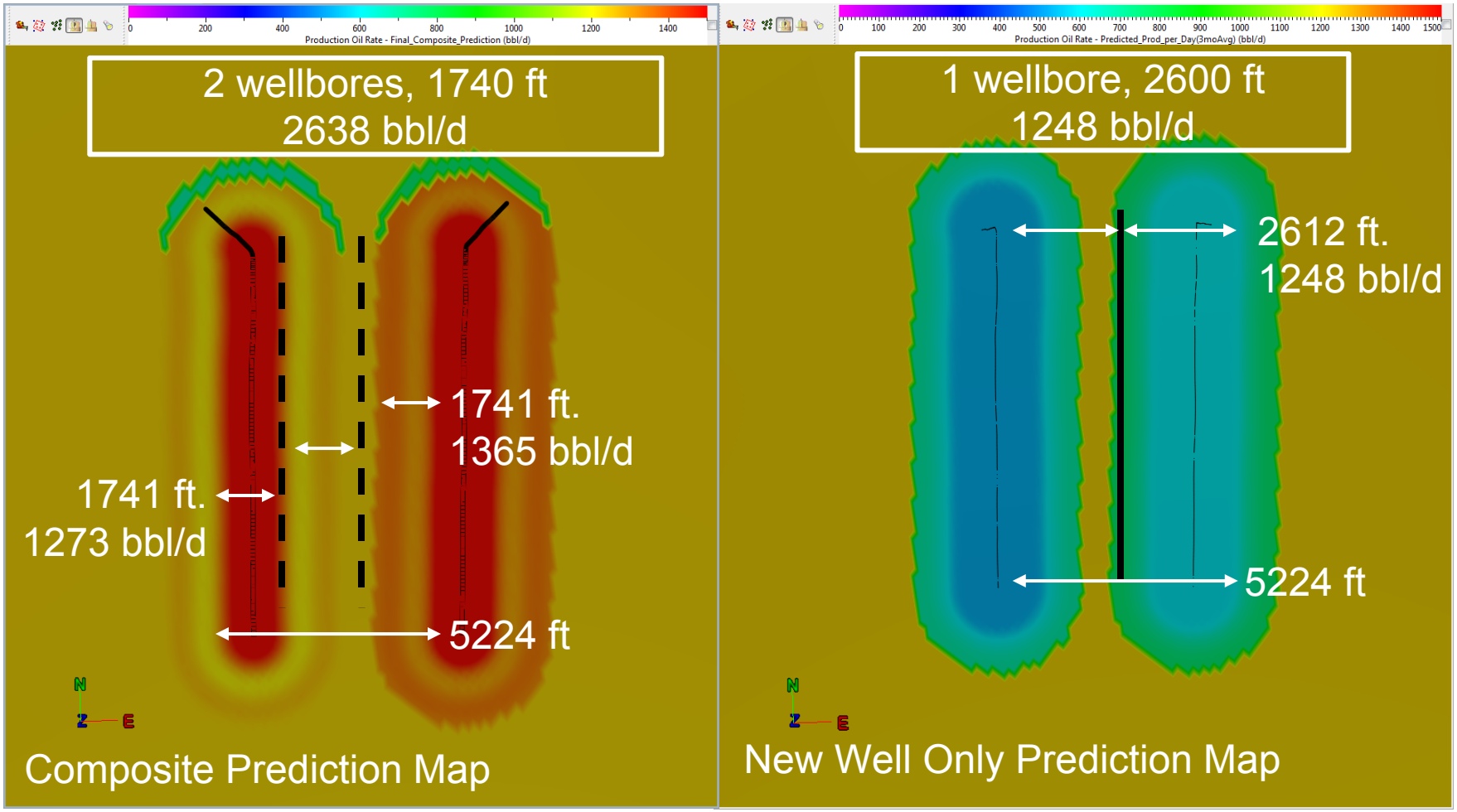
FIELD PLANNING: WELL SPACING

Combined Production Map



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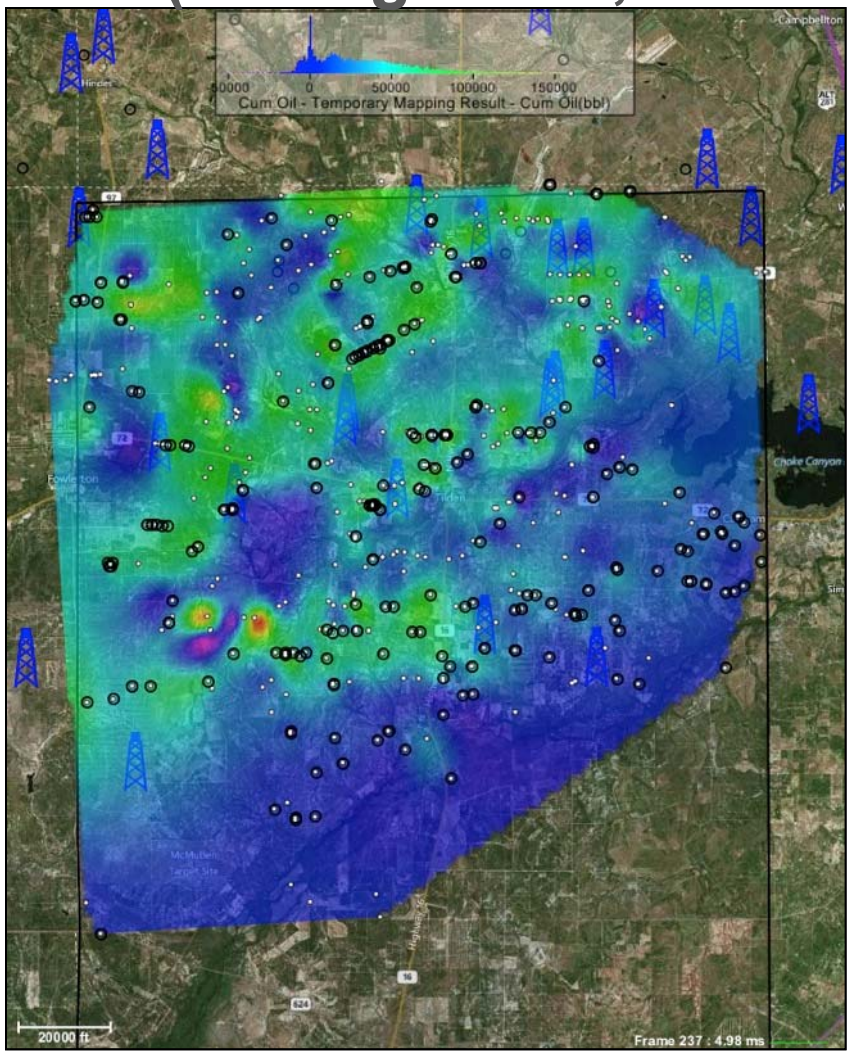
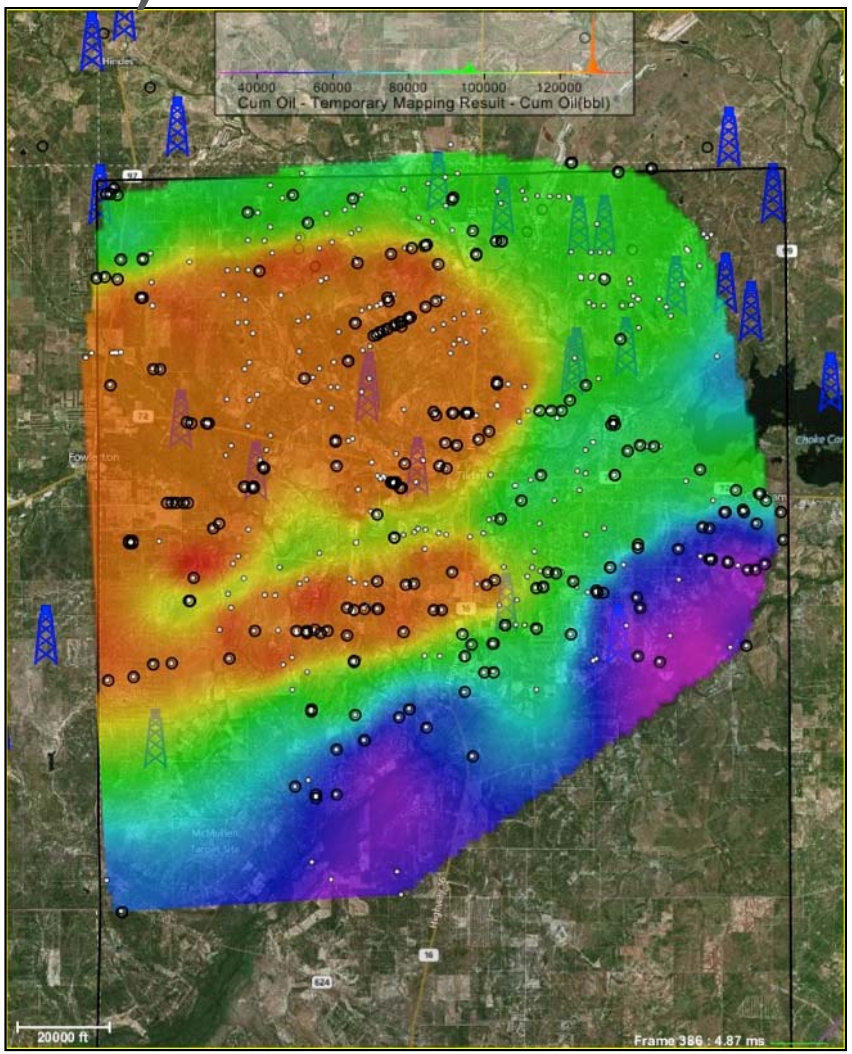
Statistical Analysis Of Geology Vs. Straight Production Grid. (Ex: Eagle Ford, McMullen Co)

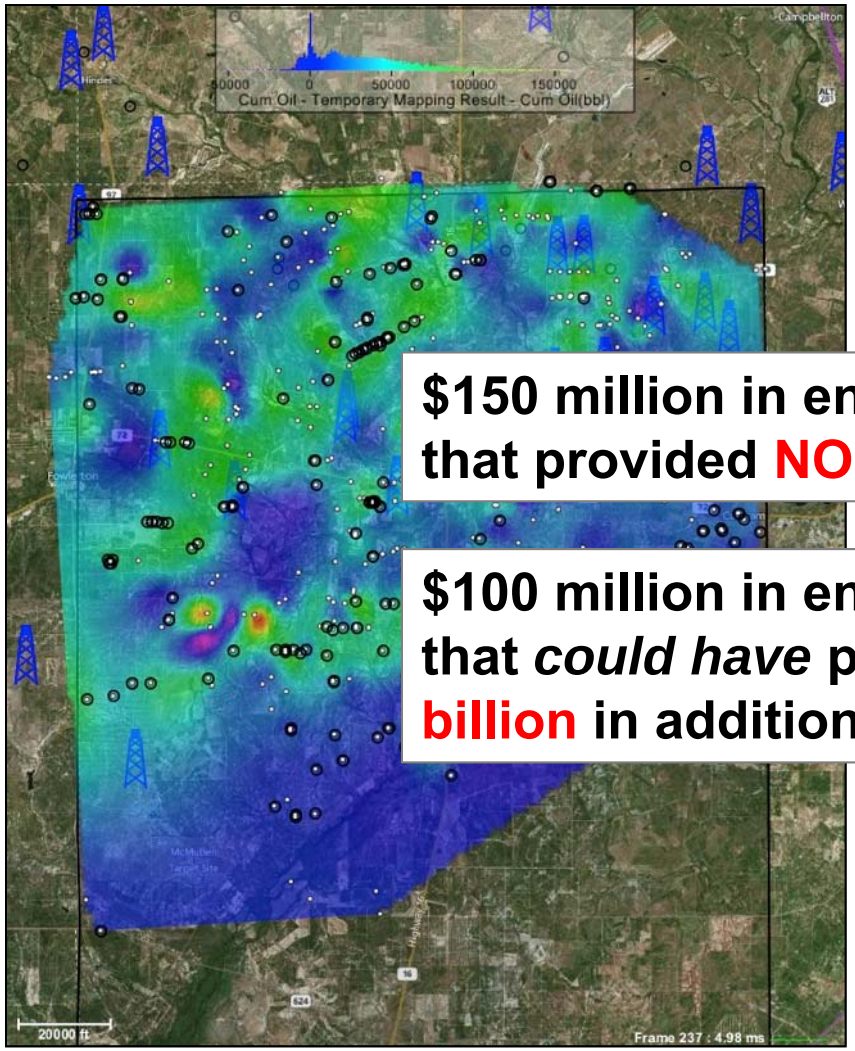


6 Month Actual Oil Production Map

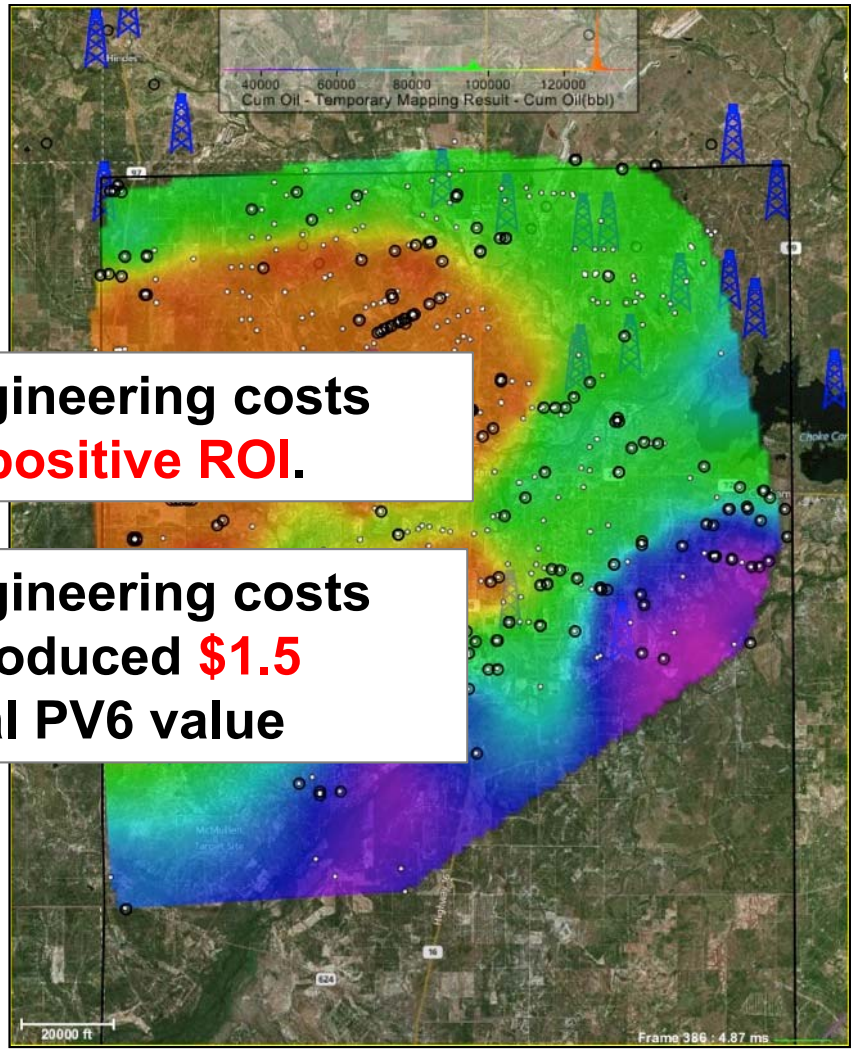


6 Month Oil Native Production Map (Normalized Engineering)

Example: Eagle Ford, McMullen Co.



6 Month Actual Oil Production Map



6 Month Oil Native Production Map (Normalized Engineering)

$150 million in engineering costs that provided NO positive ROI.

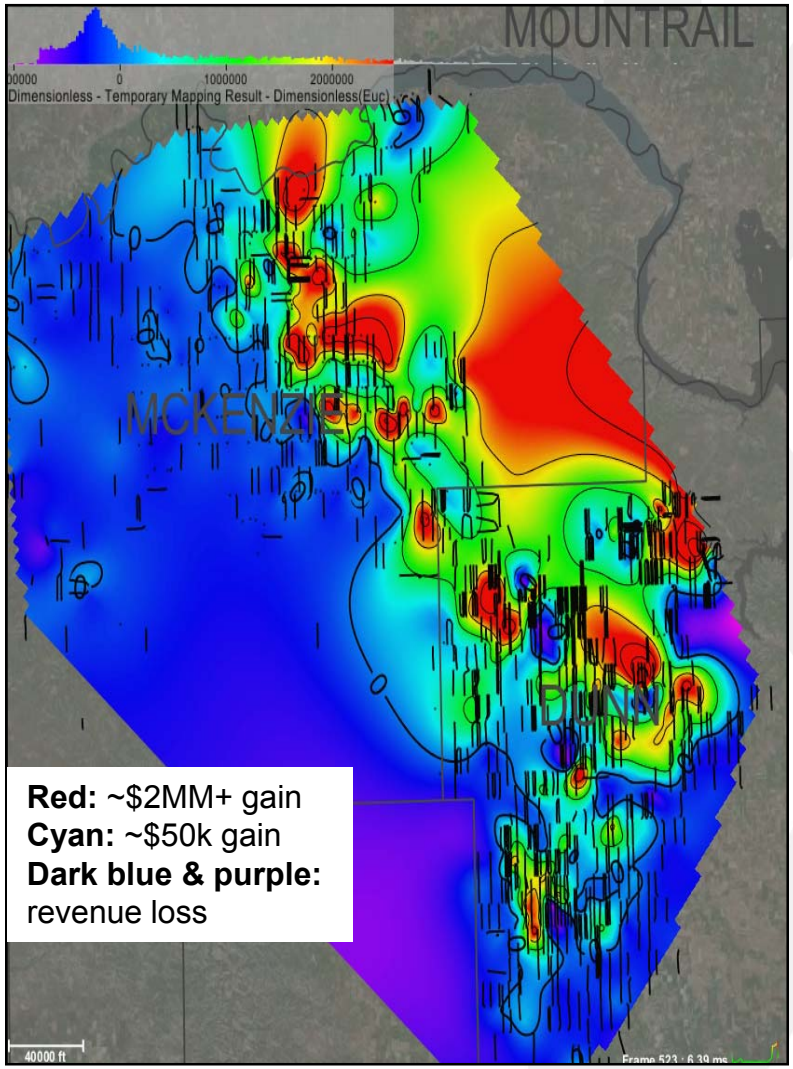
$100 million in engineering costs that *could have* produced $1.5 billion in additional PV6 value

PREDICTED PRODUCTION MAPS BASED ON TIER 2 DUNN & MCKENZIE NON-LINEAR REGRESSION MODEL

This shows the *revenue difference* between the 700 lbs/ft model and the 400 lbs/ft model

Assuming:

- 10,000 ft laterals
- $0.20/lb of proppant
- $40/bbl return for oil



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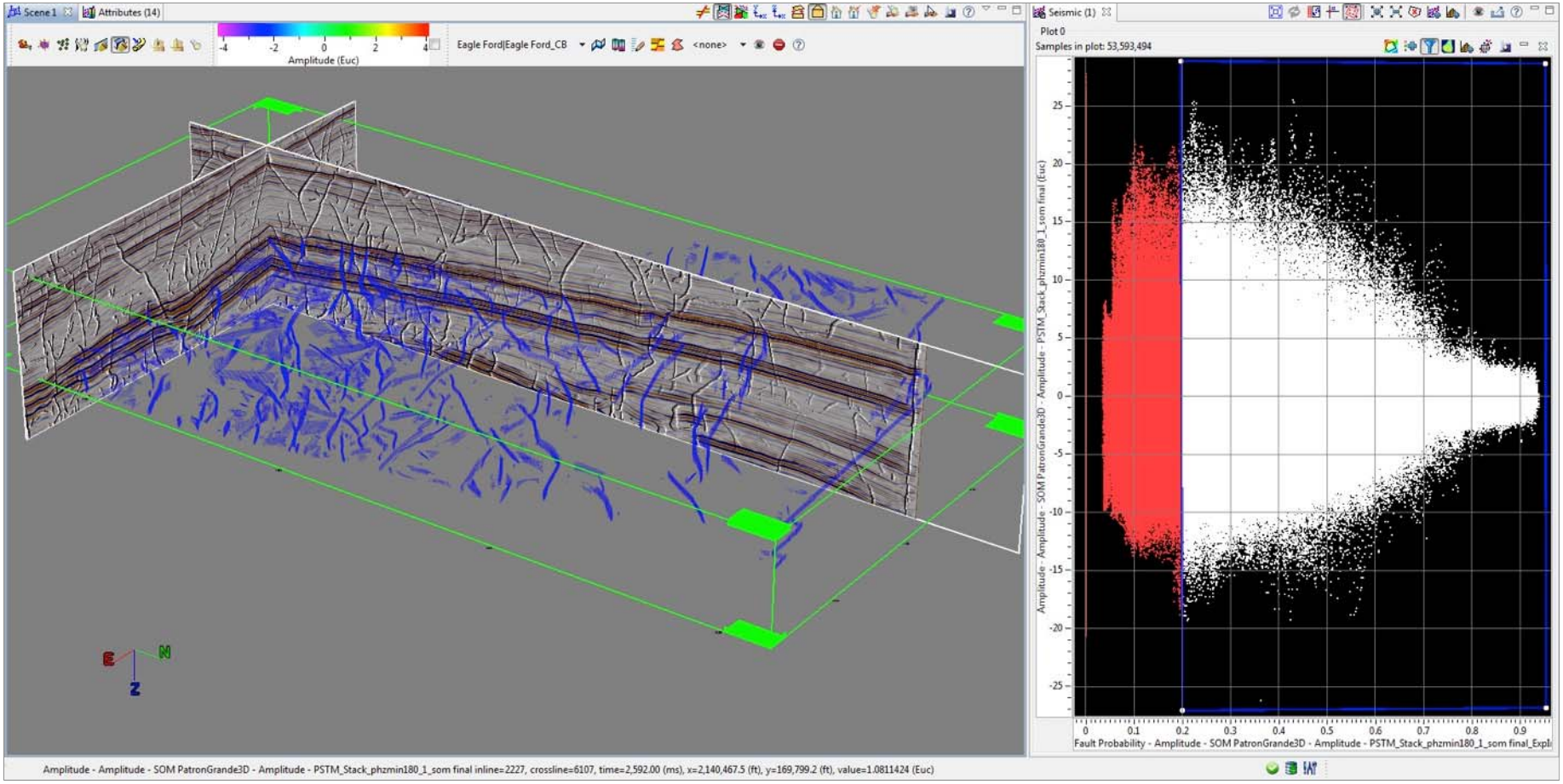
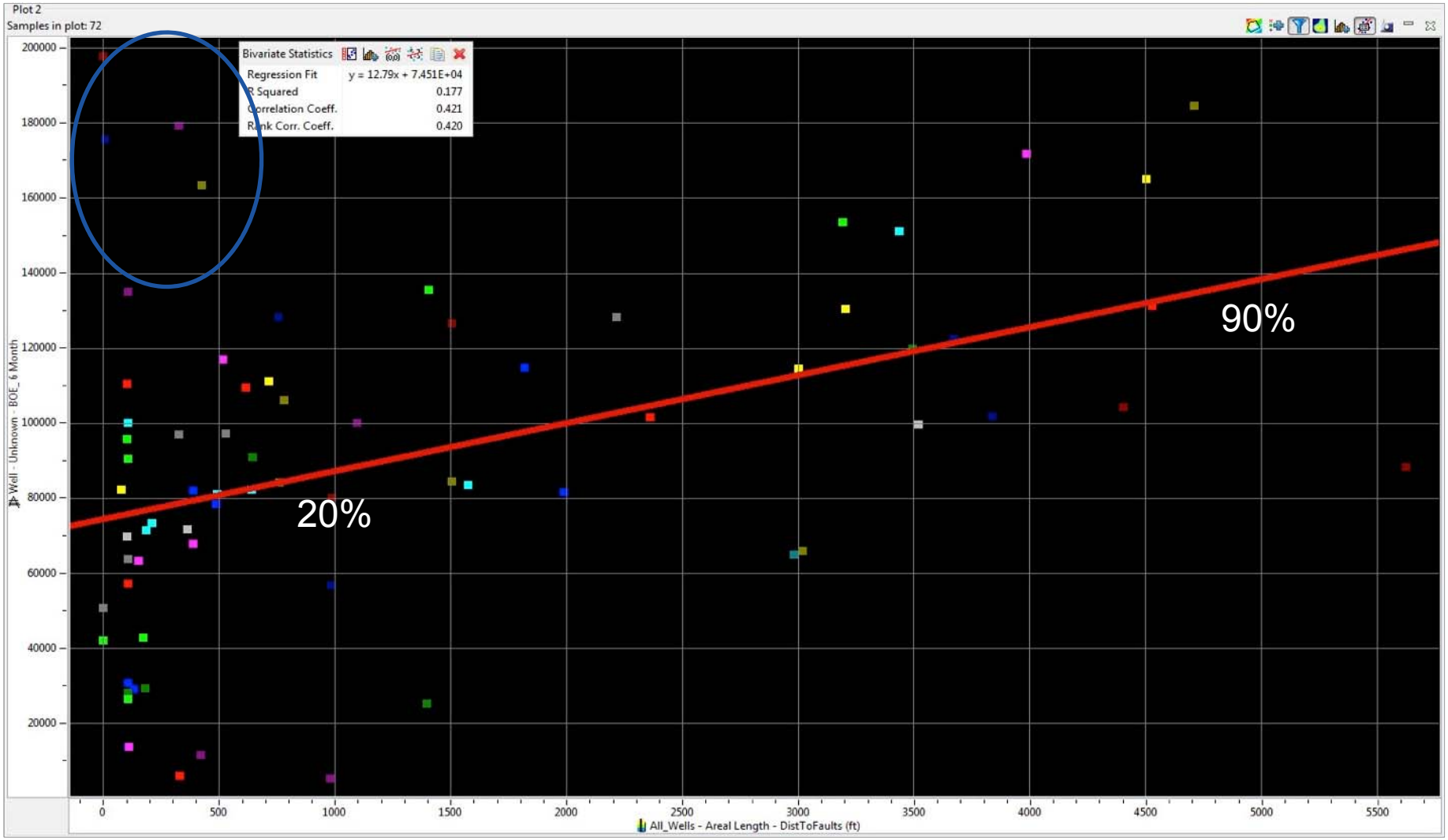
Fault Proximity Impact on Production



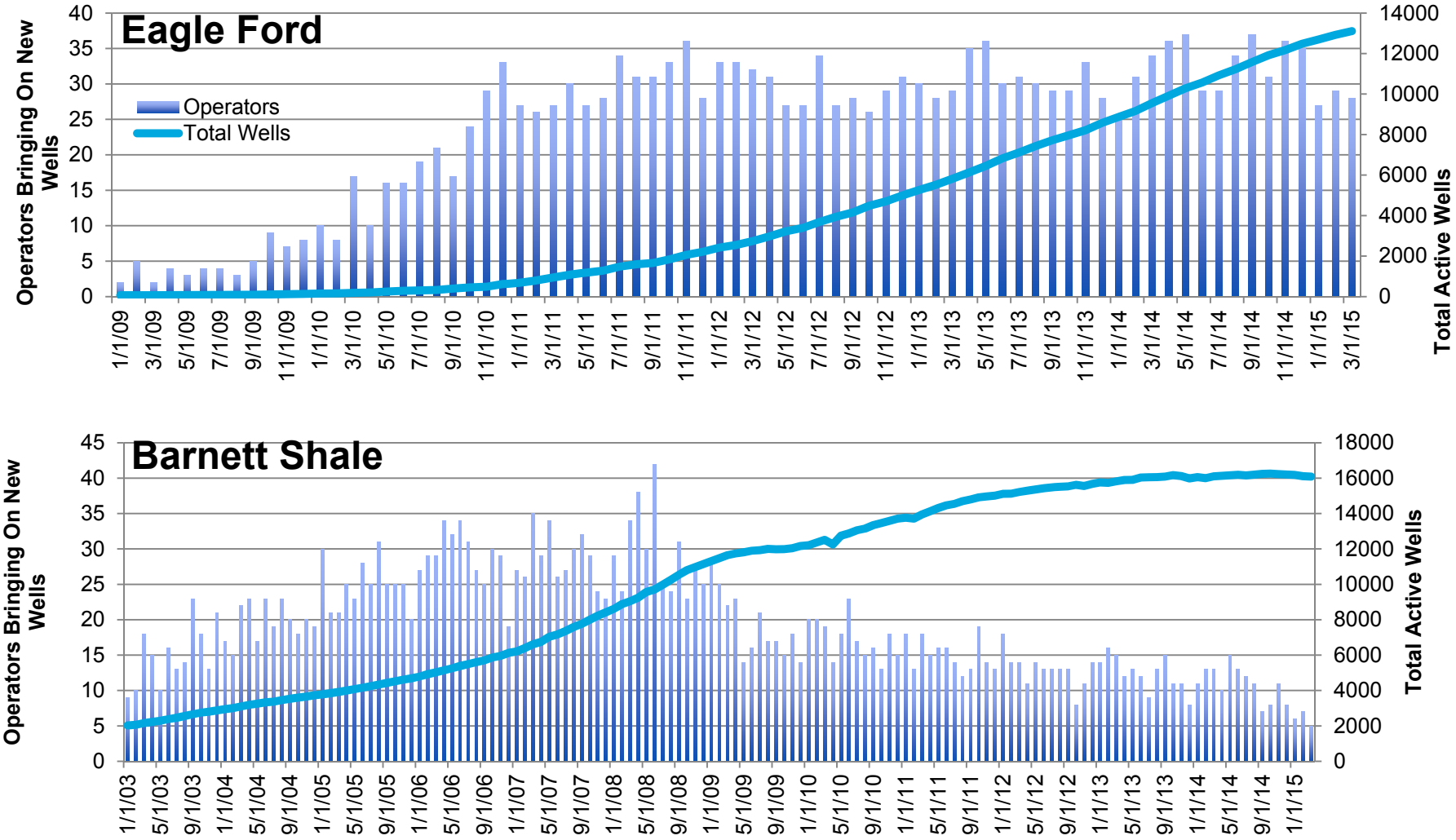
Probabilistic determination of faulting

Fault Proximity Impact on Production



Distance to Faults versus BOE

Efficiencies Are Driven By 100's of Operators, 1000's of Companies, across 10,000's of Wells



IMPACT OF EFFICIENCY ON US ACTIVITY AND PRODUCTION

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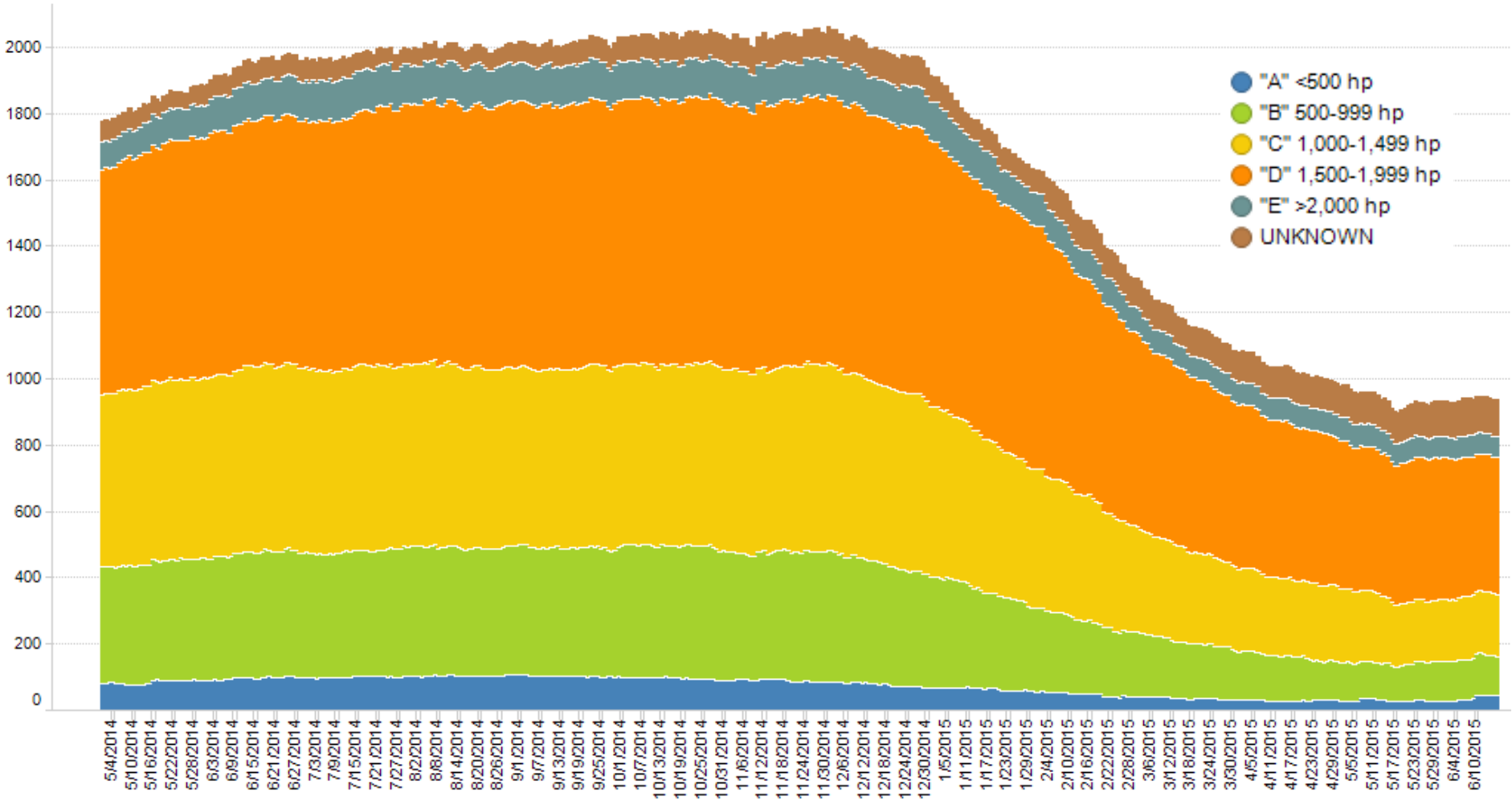
U.S. Rig Count by Drilling Intensity

March 2014 – June 10, 2015



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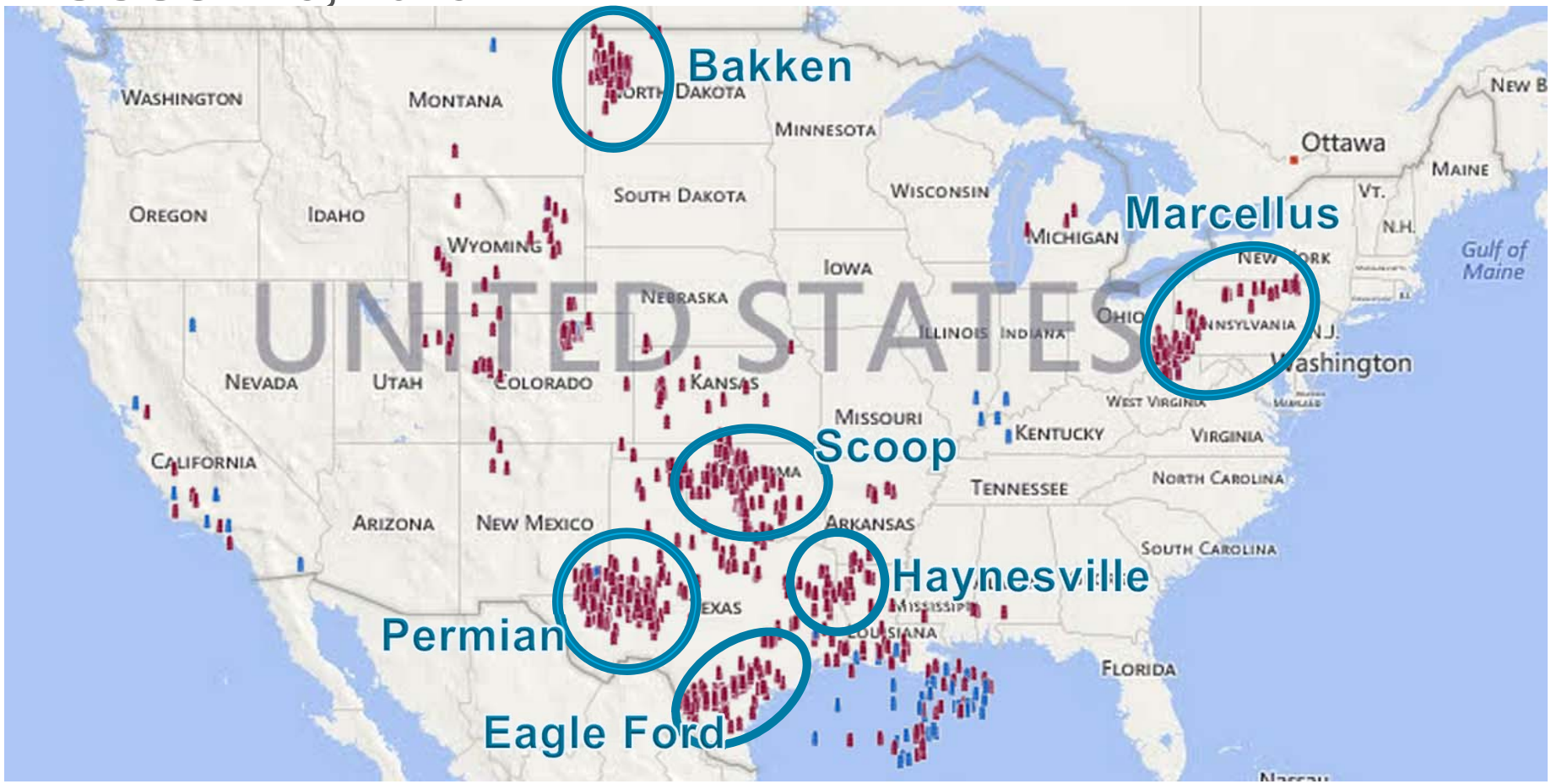
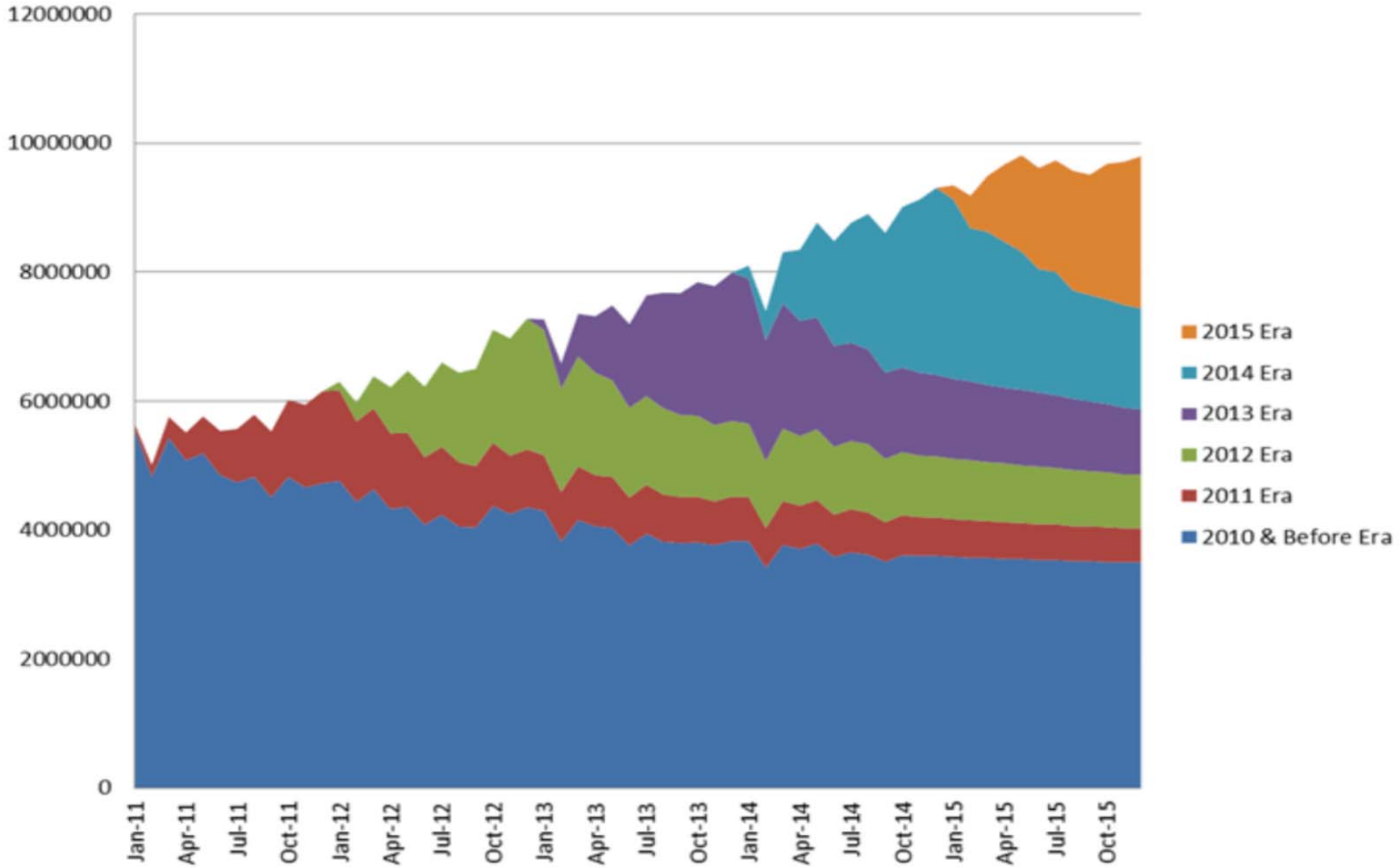
CURRENT US RIG OVERVIEW
AUGUST 19, 2015



DRILLINGINFO'S APRIL 2015 FORWARD US OIL PRODUCTION ESTIMATE



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THANK YOU.

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