

R&R Royalty, LTD

Vernon Parish, LA

*A Look at Modern vs. Vintage
Completion in Tyler County and
Vernon Parish*

Key Contact

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Conclusion

- **Based on proven offsets and witnessing prolific performance of modern Austin Chalk wells in Tyler County, R&R Royalty's Vernon Parish 14,295 acre leasehold offers premium acreage for developing the Austin Chalk formation using today's technology.**

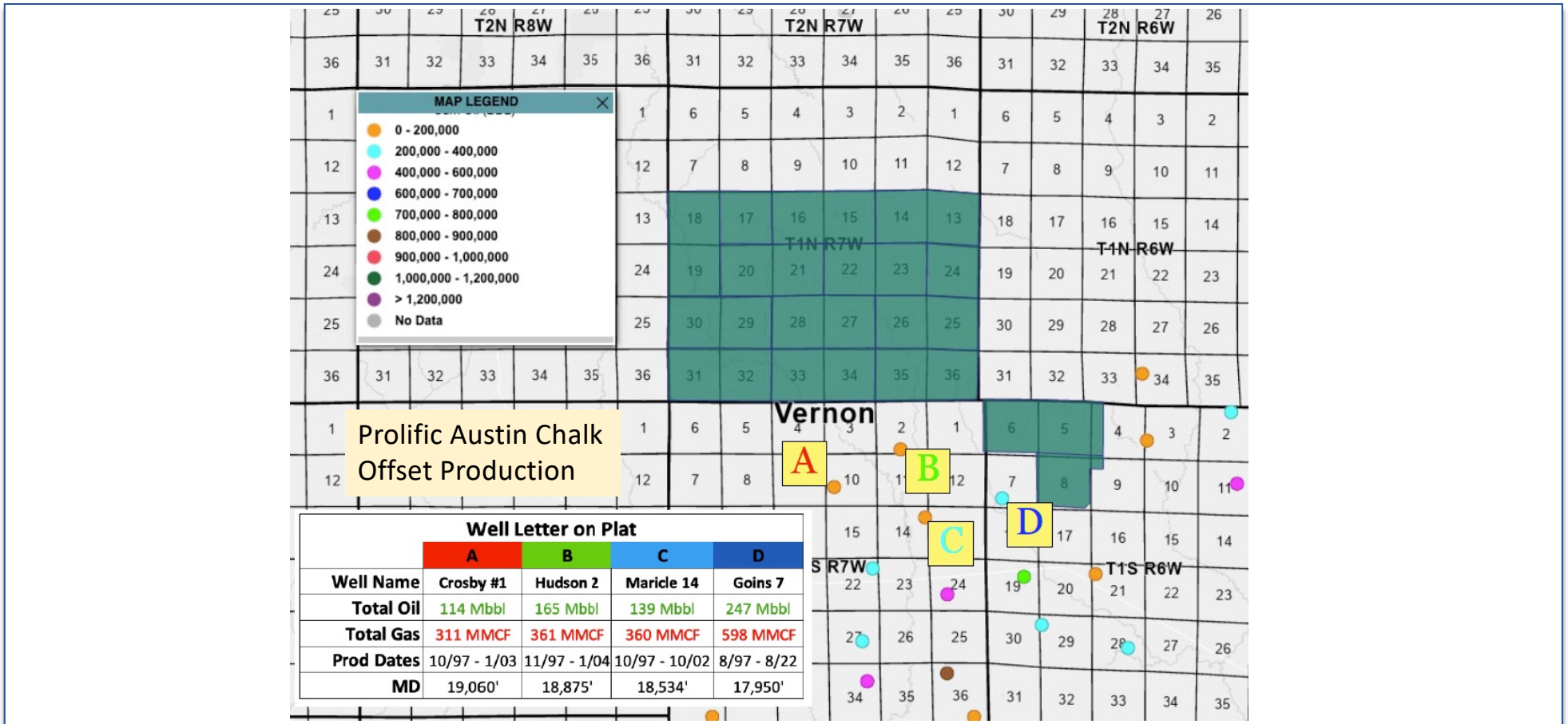
Key Highlights

- **Vintage Austin Chalk Production Performance in Vernon Parish is Superior to Tyler County**
 - Vernon Parish wells outperform Tyler County by 2.5x in first 36 months (MBOE 20:1)
 - 3x more oil in Vernon Parish wells
- **Similar Drilling & Completion Techniques for Fair Comparison and Economics**
 - Lateral lengths: ~4300' | TVD 13,800 – 14,500'
 - No frac upon completion
- **R&R's Large Contiguous Block of Acreage Offers Capacity for Modern Wells with Longer Laterals, Bigger Fracs, Low Drilling Pressures, and Ultimately Enhanced Production**
 - 14,295 federal acres
 - Navidad's Hancock #1H modern Austin Chalk well outperforms vintage Tyler County offsets by 6X (MBOE 20:1) in 19 months (First Prod Date: 1/1/2020)
 - 50% longer lateral than its offsets
 - Frac completion vs vintage completion style (open hole, slotted liner, etc.)

Acreage Position – Vernon Parish, LA

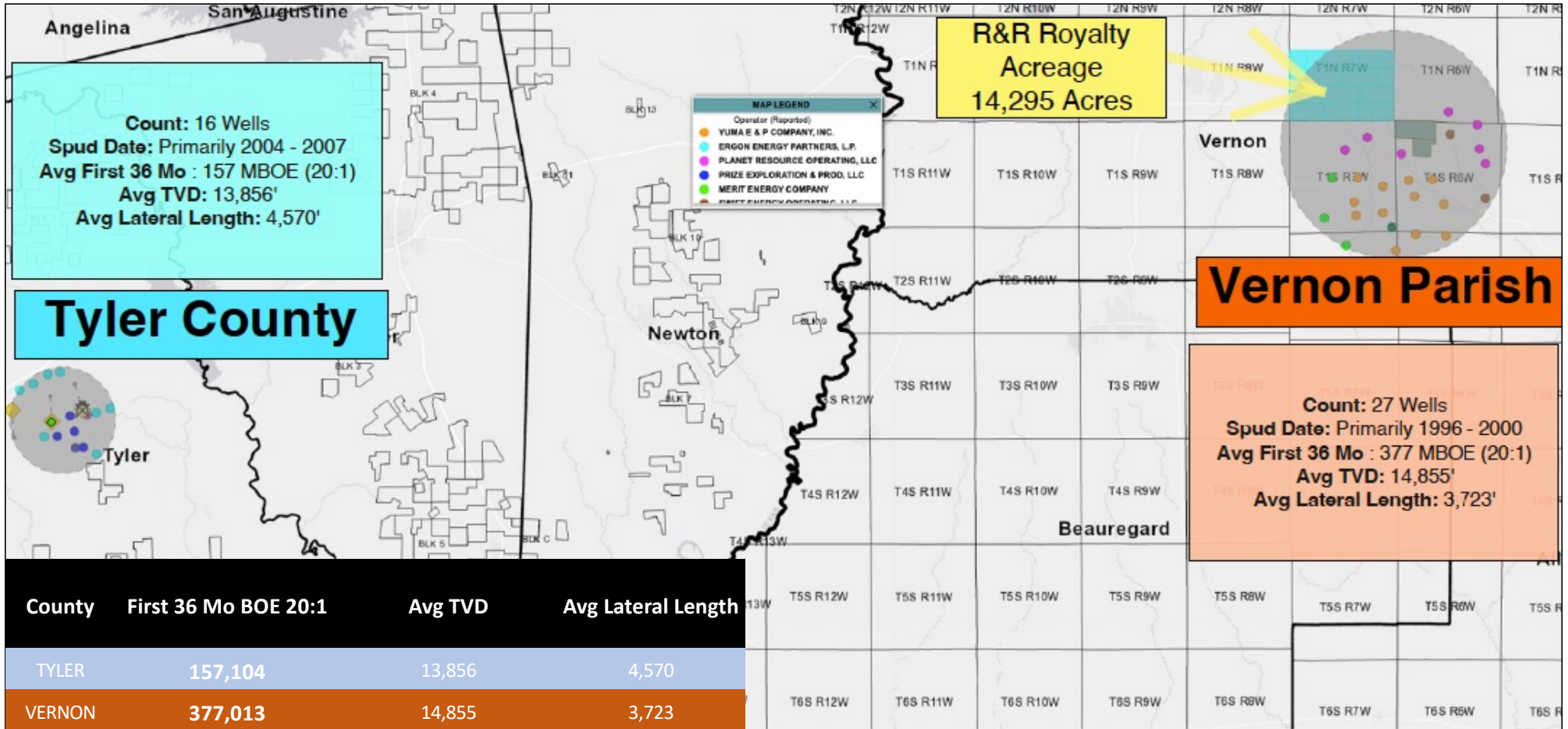
14,295 Acres | Exp 2025+

T1N R7W & T1S R6W

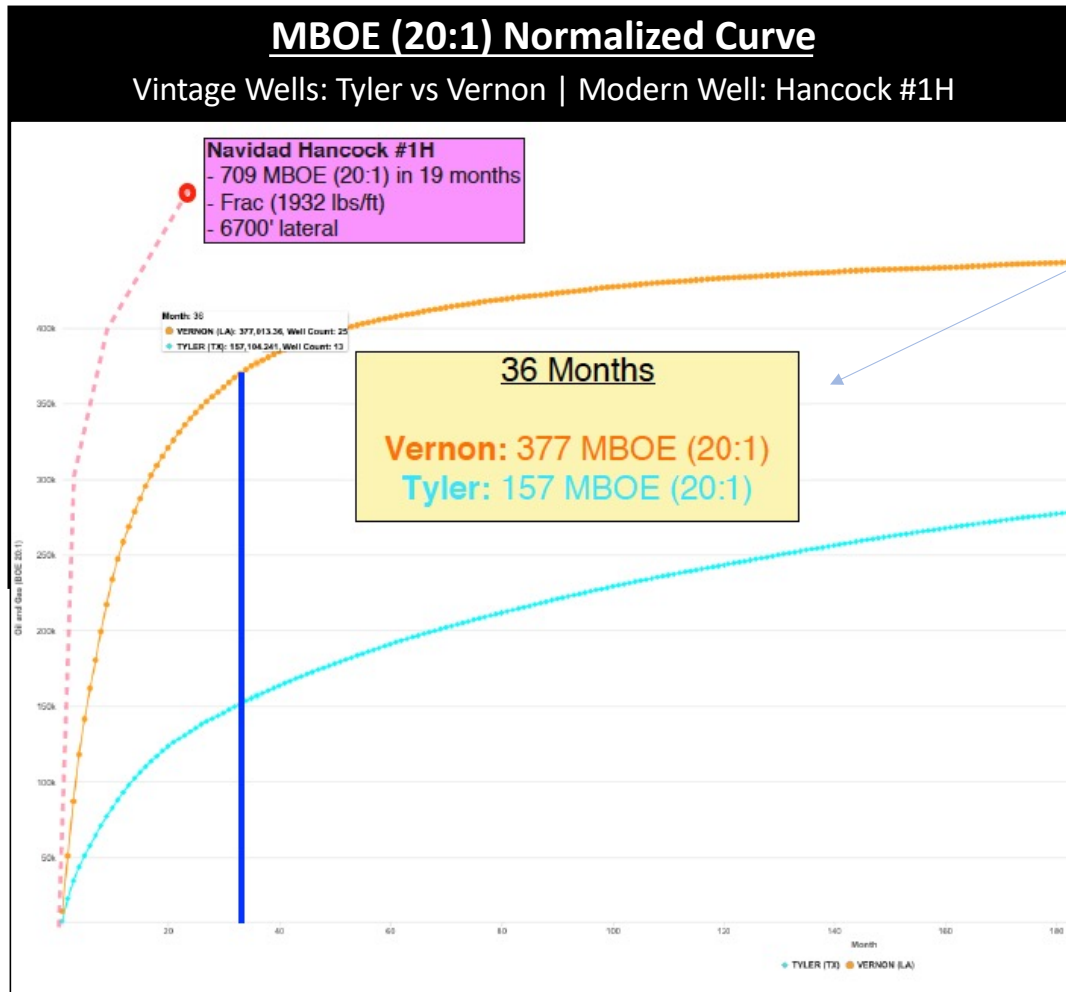


Austin Chalk - Vintage Well Details

Tyler County vs. Vernon Parish



Austin Chalk - Well Performance Comparison



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- Vintage Austin Chalk Production Performance in Vernon Parish is Superior to Tyler County
 - Vernon Parish wells outperform Tyler County by 2.5x in first 36 months (MBOE 20:1)
- Navidad's Hancock #1H modern Austin Chalk well outperforms vintage Tyler County offsets by 6X (MBOE 20:1) in 19 months
 - Modern completion on Vernon Parish acreage possesses even higher upside potential than Navidad Hancock 1H due to proven superior performance from vintage offsets

BOE 20:1 Prod	Well or County		
Month	HANCOCK #1H	TYLER (TX)	VERNON (LA)
19	708,713	120,613	315,359

County	Avg TVD	Avg Lateral Length	Avg Proppant/ft (lbs/ft)
TYLER	13,856'	4,570'	0
VERNON	14,855'	3,723'	0
HANCOCK #1H	13,645'	6,728'	1924