

# MID-CONTINENT ENERGY EXCHANGE

## Oil & Gas Asset Auctions



Data Packet

## **Crooked Pine 22\_15-12N-8W 4MHX & 6MHX**

Overriding Royalty Interest in  
Canadian County, OK

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# ***Lot Summary***

County/State: Canadian County, OK

Legal Description: Sec 15 & 22-12N-8W

Acres: 1 NRA

Lease Name: Crooked Pine 22\_15-12N-8W 4MHX, 6MHX

AssetType: Overriding Royalty Interest

DecimalInterest: 0.00009752 (4MHX), 0.00009195 (6MHX) per 1 NRA

MonthlyIncome (4 mo): \$325.00

API: 35-017-22568, 35-017-25569

Lease #: 017-227529-0, 017-227541-0

Operator: Paloma Resources

Disclaimer: Bidders must conduct their own due diligence prior to bidding at the auction. Bidders shall rely upon their own evaluations of the properties and not upon any representation either oral or written provided here. This is a summary of information provided by the seller to Mid-Continent Energy Exchange.

## SELLER COMMENTS:

We are excited to own and offer to you ORRI in the **Crooked Pine Property** in Central Canadian County, Oklahoma which is in the heart of the MERGE play in the Anadarko Basin. Section 22 – Township 12 North – Range 08 West

This property is part of \*Paloma Resources' Crooked Pine Lease that encompasses an enormous 1,280 Gross Mineral Acres, or 2 square miles in Sections 22 & 15. Two(2) new wells (Well numbers 4 & 6) had first sales in December 2021. Mineral Royalties Group believes this Crooked Pine property could be sending revenue by the end of June 2022.

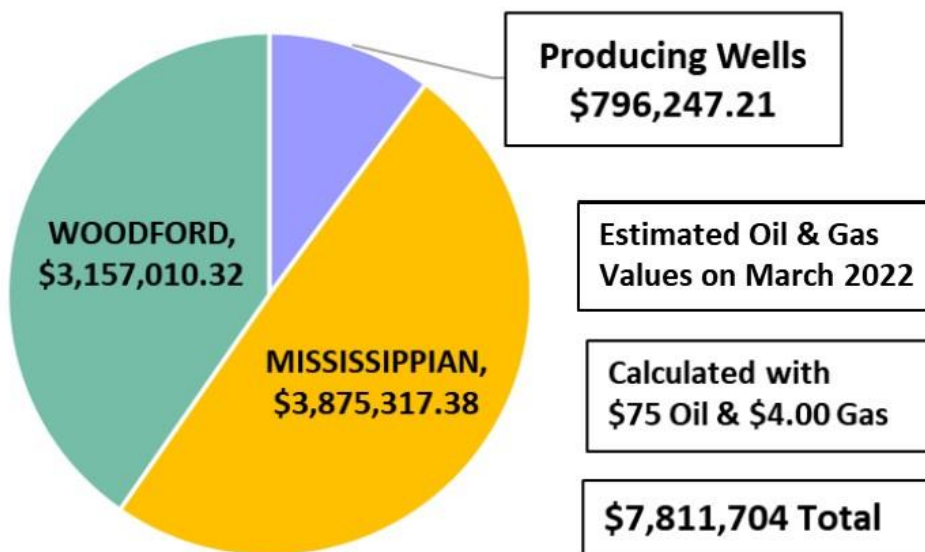
Three (3) more wells are currently planned. Well numbers 2, 3 and 5.

\*Paloma Resources is a Houston-based private oil and gas company. Founded in 2004, Paloma is backed by the financial strength of EnCap Investments and Macquarie Americas.

Each Net Royalty Acre (NRA) is estimated to have about \$147,390-\$185,460 in recoverable oil and gas based on \$75 - \$95 oil and \$4 - \$5 gas, respectively. (see charts below)

Based on existing production on the OCC PUN Reports (see Misc. tab) we think each NRA is generating about \$290-\$350 per month.

With 5 producing wells we believe the estimated Royalty Income could be between \$725-\$875 per month, or \$8,700 - \$10, 500 per year. (see charts below)



Price Per Acre	\$ 28,000.00	Wells #4 & 6	
		Income/Mo	\$ 290.00
Oil Price/BOP*	\$ 75.00	Income/YR	\$ 3,480.00
Gas Price/MCF	\$ 4.00	Annual Return	12.43%
Multiple Return	5.26	Wells # 2, 3 & 5	Anticipated
		Income/Mo	\$ 435.00
Net Royalty Acres	53	Income/YR	\$ 5,220.00
*Pie Chart Total	\$ 7,811,704.98	Wells #2 thru 6	\$ 725.00
Total/Acre	\$ 147,390.66	Income/YR	\$ 8,700.00
		Annual Return	31.07%
* Approximately 10 Year Average			

Price Per Acre	\$ 28,000.00	Wells #4 & 6	
		Income/Mo	\$ 350.00
Price/BOP*	\$ 95.00	Income/YR	\$ 4,200.00
Price/MCF	\$ 5.00	Annual Return	15.00%
Multiple Return	6.62	Wells # 2, 3 & 5	Anticipated
		Income/Mo	\$ 525.00
Net Royalty Acres	53	Income/YR	\$ 6,300.00
Total	\$ 9,829,391.00	Wells #2 thru 6	\$ 875.00
Total/Acre	\$ 185,460.21	Income/YR	\$ 10,500.00
		Annual Return	37.50%
* WTI Spot price on March 16, 2022			



# ***Income and Expenses***

## ***Summary***

Net Income:	\$975.00
Production Months:	3 *
Net Income Per Month:	\$325.00

*\* Estimated based on January thru March production at \$95 oil and \$5 gas*



***Production***





CROOKED PINE 22\_15-12N-8W 4...

Leas... 01722752900...

## Lease and Production Information

State	County	Operator			
OK	Canadian	PALOMA OPERATING CO INC			
Location	Meridan	Quarter Call	Formation	Horizontal	Production Months
15-12N-08W	Indian	AL	MISSISSIPPIAN	Yes	4
			Oil		Gas
First Prod Date			2021-12-01		2022-01-01
Last Sale			2022-03-01		2022-02-01
Daily Rate			563.4		4362.6
MoM Change			3957		-49065
YoY Change			56537		293369
Cumulative			56537		293369

## Production Snapshot

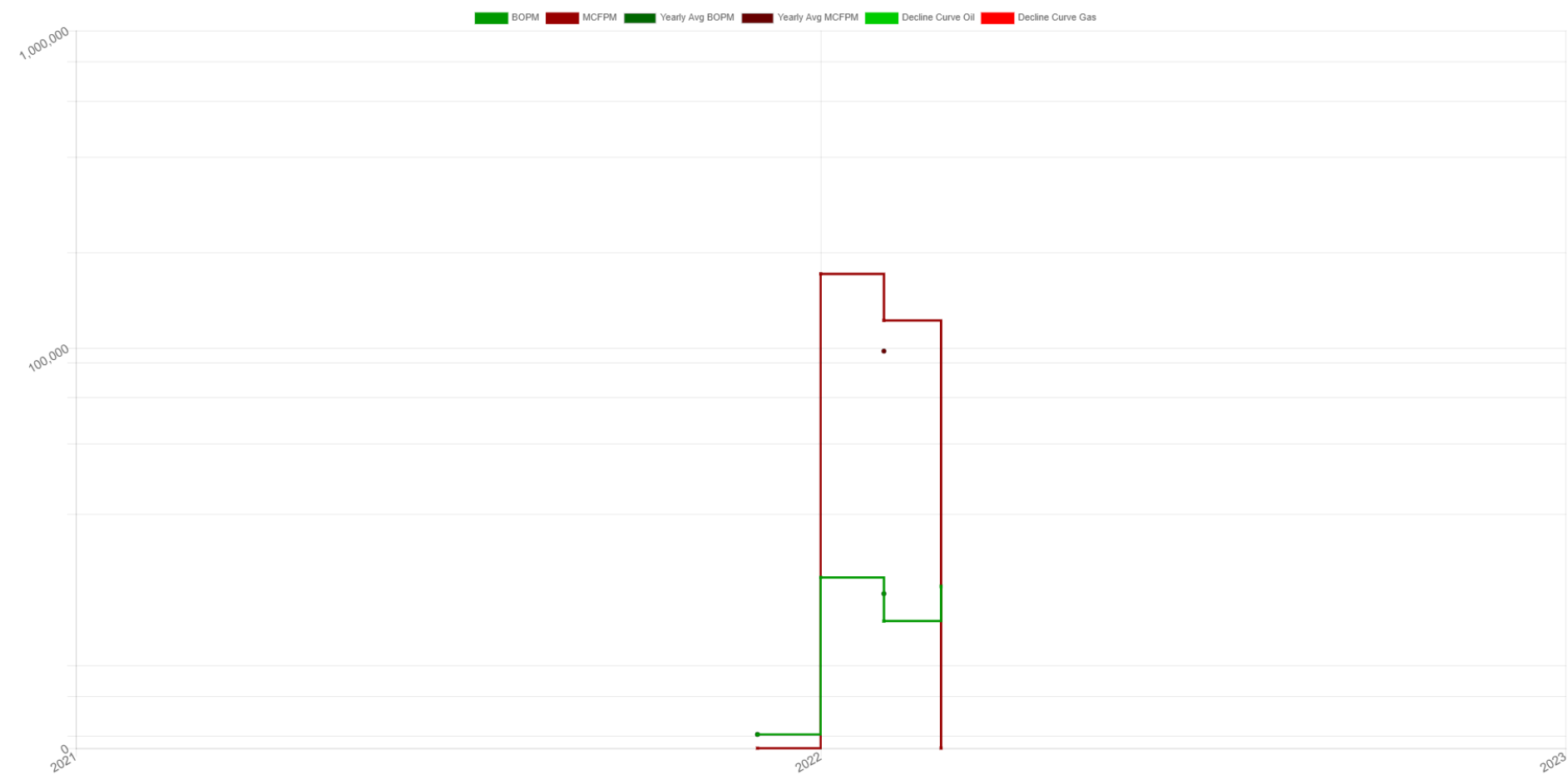
Month	BOPM	MCFPM
12-2021	6059	
01-2022	18927	171217
02-2022	13797	122152
03-2022	17754	
<b>Average</b>	<b>14134</b>	<b>146685</b>

## Annual Averages

Year	Avg BOPM	Avg MCFPM
2021	6059	
2022	16826	97790



# CROOKED PINE 22\_15-12N-8W 4MHX - Production Plot







## CROOKED PINE 22\_15-12N-8W 4MHX

## Associated Wells

Total Well Count: 1

Well Name			API	Operator		Type	Status
CROOKED PINE 22_15-12N-8W 4MHX			35-017-25568	PALOMA OPERATING CO INC		Oil	
Location	Spot	Foot-NS	Foot-EW	Foot-ref	Zone		
22-12N-08W	N2 SW SW SE	335	2310	SE	MISSISSIPPI, MISSISSIPPIAN		
Spud		Completion		First Production			
2021-04-16		2021-12-10		2021-12-12			
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm	PBTD	Drill-Dir	Lateral
DF: 1464	21441						

## Well Test

Date	BOPD	MCFPD	BWPD
2021-12-15	105	782	1583



CROOKED PINE 22\_15-12N-8W 6...

Leas... 01722754100...

## Lease and Production Information

State	County	Operator			
OK	Canadian	PALOMA OPERATING CO INC			
Location	Meridan	Quarter Call	Formation	Horizontal	Production Months
15-12N-08W	Indian	AL	MISSISSIPPIAN	Yes	4
			Oil	Gas	
First Prod Date			2021-12-01	2022-01-01	
Last Sale			2022-03-01	2022-02-01	
Daily Rate			417.95	3393.8	
MoM Change			3425	-30516	
YoY Change			41402	220566	
Cumulative			41402	220566	

## Production Snapshot

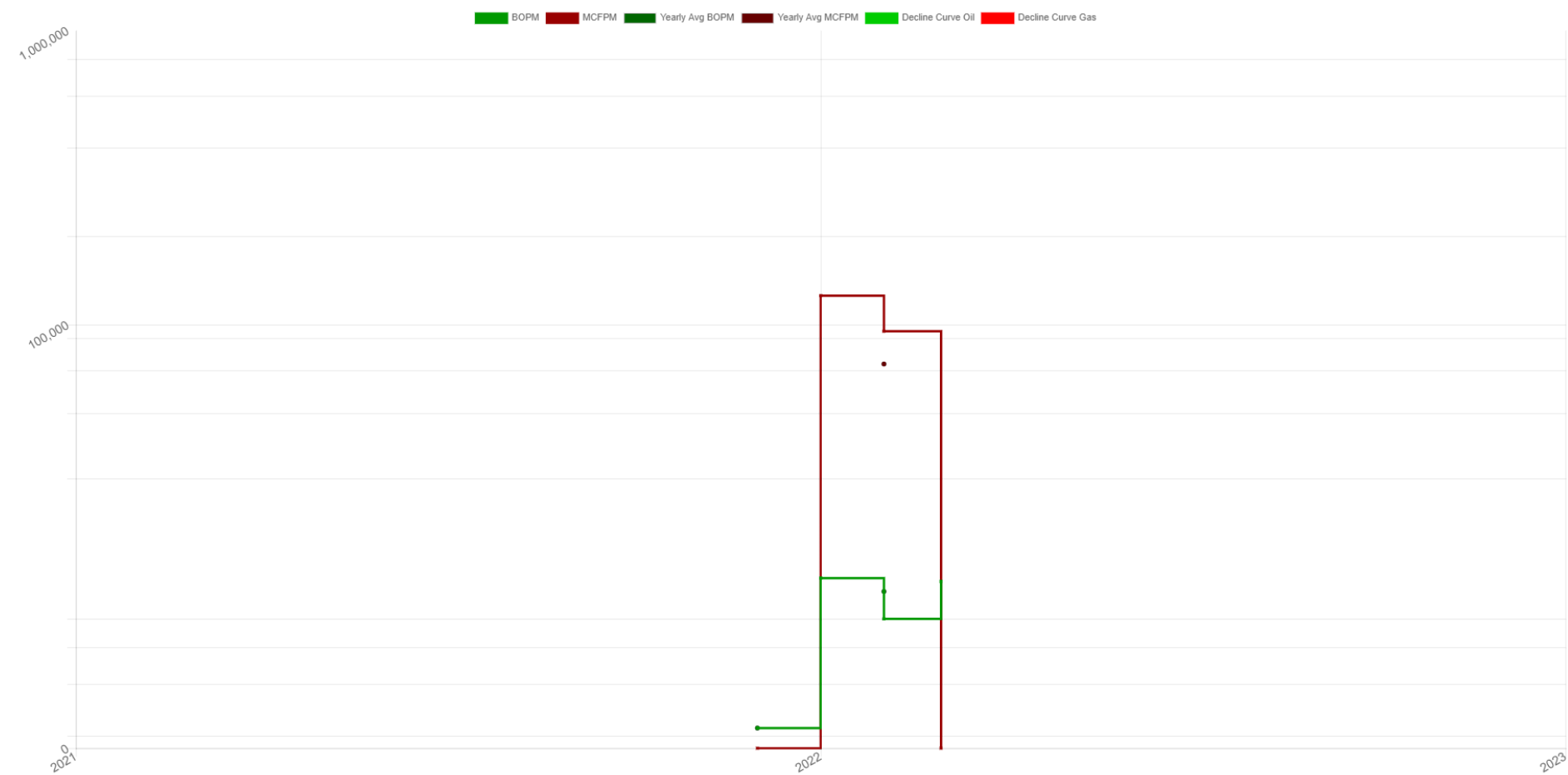
Month	BOPM	MCFPM
12-2021	4251	
01-2022	13747	125541
02-2022	9990	95025
03-2022	13415	
Average	10351	110283

## Annual Averages

Year	Avg BOPM	Avg MCFPM
2021	4251	
2022	12384	73522



# CROOKED PINE 22\_15-12N-8W 6MHX - Production Plot





## CROOKED PINE 22\_15-12N-8W 6MHX

## Associated Wells

Total Well Count: 1

Well Name			API	Operator		Type	Status
CROOKED PINE 22_15-12N-8W 6MHX			35-017-25569	PALOMA OPERATING CO INC		Oil	
Location	Spot	Foot-NS	Foot-EW	Foot-ref	Zone		
22-12N-08W	NE SW SW SE	335	2290	SE	MISSISSIPPIAN, MISSISSIPPI		
Spud		Completion		First Production			
2021-04-14		2021-12-10		2021-12-12			
Elevation	MD	TV-TD	Cmpl-Top	Cmpl-Btm	PBTD	Drill-Dir	Lateral
DF: 1464	20837						

## Well Test

Date	BOPD	MCFPD	BWPD
2021-12-14	82	859	1222

## Production Unit (PUN) Details

**PUN #:** 017-227529-0-0000

**Lease Name:** CROOKED PINE 22 15-12N-8W

**Well Name/Number:** 4MHX

**Well Classification:** Gas

**Tract #:**

**Unit Name:**

**Shut-in Date:**

**Plugged Date:**

**Status:** Active

**Current Tax Rate:** 5.00%

**Split County PUN(s):**

### License Information

**License Number:**

**License Type:**

**Legal Description:** -AL-15-12N-08W-AL-22-12N-08W

**API:** 017-25568

**County Name:** Canadian

**County Percent:** 100.0000%

**Total Lease Acreage:** 1280

**Active Date:** 12/14/2021

**Active Product code:** 1,5,6

1 = Crude Oil

3 = Reclaimed Oil

5 = Natural Gas

6 = Natural Gas Liquids

Operator Information	
Operator #	Operator Name
23932	PALOMA OPERATING COMPANY INC

General Lease Legal Information							
No.	Q4	Q3	Q2	Q1	Section	Township	Range
1				AL	15	12N	08W
2				AL	22	12N	08W

Surface Hole Lease Legal Information							
Q4	Q3	Q2	Q1	Section	Township	Range	
	SE	SW	SW	22	12N	08W	

Bottom Hole Lease Legal Information							
Q4	Q3	Q2	Q1	Section	Township	Range	
	NE	NW	NW	15	12N	08W	

Spaced Lease Legal Information							
Name of Formation		Spacing Order		Total Space Lease Acreage		Increased Density Order#	
MISSISSIPPIAN		143998,688916		1280		704470,706279	
No.	Q4	Q3	Q2	Q1	Section	Township	Range
1				AL	15	12N	08W
2				AL	22	12N	08W

Exemption		
No.	Exempt Code	Decimal Equivalent

Qualifying Tax Rate				
Lease Name	Well Name/#	Period Start	Period End	Rate

CROOKED PINE 22 15-12N-8W	4MHX	12-2021	12-2024	5.00
CROOKED PINE 22 15-12N-8W	4MHX	01-2025		7.00

Product History					
Production Year	Production Month	Product Code	Gross Volume	Reporting Company	Company Number
2022	March	1	17753.8	SHELL TRADING US COMPANY	21226
2022	March	5	168891	ANCOVA ENERGY MARKETING LLC	23977
2022	February	5	122152	ANCOVA ENERGY MARKETING LLC	23977
2022	February	1	13796.76	SHELL TRADING US COMPANY	21226
2022	January	1	18927.46	SHELL TRADING US COMPANY	21226
2022	January	5	171217	ANCOVA ENERGY MARKETING LLC	23977
2021	December	1	6066.98	SHELL TRADING US COMPANY	21226
2021	December	1	-7.62	SHELL TRADING US COMPANY	21226

This is a rolling 12 month list. Volumes are based on most current reports submitted by the reporting company. If you require earlier production volumes, please click Request for Gross Production History Information.

1 = Crude Oil  
3 = Reclaimed Oil  
5 = Natural Gas  
6 = Natural Gas Liquids

Gas volumes are reported by MCF (thousand cubic feet) produced.  
Oil volumes are reported by the number of barrels produced.

## Production Unit (PUN) Details

**PUN #:** 017-227541-0-0000

**Lease Name:** CROOKED PINE 22-15-12N-8W

**Well Name/Number:** 6MHX

**Well Classification:** Gas

**Tract #:**

**Unit Name:**

**Shut-in Date:**

**Plugged Date:**

**Status:** Active

**Current Tax Rate:** 5.00%

**Split County PUN(s):**

### License Information

**License Number:**

**License Type:**

**Legal Description:** -AL-15-12N-08W-AL-22-12N-08W

**API:** 017-25569

**County Name:** Canadian

**County Percent:** 100.0000%

**Total Lease Acreage:** 1280

**Active Date:** 12/14/2021

**Active Product code:** 1,5,6

1 = Crude Oil

3 = Reclaimed Oil

5 = Natural Gas

6 = Natural Gas Liquids

**License Effective Date:**

**License Expiration Date:**

Operator Information	
Operator #	Operator Name
23932	PALOMA OPERATING COMPANY INC

General Lease Legal Information							
No.	Q4	Q3	Q2	Q1	Section	Township	Range
1				AL	15	12N	08W
2				AL	22	12N	08W

Surface Hole Lease Legal Information							
Q4	Q3	Q2	Q1	Section	Township	Range	
	SE	SW	SW	22	12N	08W	

Bottom Hole Lease Legal Information							
Q4	Q3	Q2	Q1	Section	Township	Range	
	NE	NE	NE	15	12N	08W	

Spaced Lease Legal Information							
Name of Formation		Spacing Order		Total Space Lease Acreage		Increased Density Order#	
MISSISSIPPIAN		143998,688916		1280		704470,706279	
No.	Q4	Q3	Q2	Q1	Section	Township	Range
1				AL	15	12N	08W
2				AL	22	12N	08W

Exemption		
No.	Exempt Code	Decimal Equivalent

Qualifying Tax Rate				
Lease Name	Well Name/#	Period Start	Period End	Rate

CROOKED PINE 22-15-12N-8W	6MHX	12-2021	12-2024	5.00
CROOKED PINE 22-15-12N-8W	6MHX	01-2025		7.00

Product History					
Production Year	Production Month	Product Code	Gross Volume	Reporting Company	Company Number
2022	March	1	13414.99	SHELL TRADING US COMPANY	21226
2022	March	5	132718	ANCOVA ENERGY MARKETING LLC	23977
2022	February	5	95025	ANCOVA ENERGY MARKETING LLC	23977
2022	February	1	9990.13	SHELL TRADING US COMPANY	21226
2022	January	1	13746.53	SHELL TRADING US COMPANY	21226
2022	January	5	125541	ANCOVA ENERGY MARKETING LLC	23977
2021	December	1	4254.12	SHELL TRADING US COMPANY	21226
2021	December	1	-3.58	SHELL TRADING US COMPANY	21226

This is a rolling 12 month list. Volumes are based on most current reports submitted by the reporting company. If you require earlier production volumes, please click [Request for Gross Production History Information](#).

1 = Crude Oil  
3 = Reclaimed Oil  
5 = Natural Gas  
6 = Natural Gas Liquids

Gas volumes are reported by MCF (thousand cubic feet) produced.  
Oil volumes are reported by the number of barrels produced.





# *Misc. Info*



PALOMA PARTNERS IV, LLC

DIVISION ORDER/VERIFICATION OF INTEREST  
PALOMA – Crooked Pine 22\_15-12N-8W 4MHX  
and Crooked Pine 22\_15-12N-8W 6MHX  
STACK PROSPECT  
CANADIAN COUNTY, OKLAHOMA  
MAY 23, 2022

TO: PALOMA PARTNERS IV, LLC  
1100 Louisiana, Suite 5100  
Houston, TX 77002

EFFECTIVE: First Production

The undersigned Interest Owner(s) certifies/agrees it is the legal owner of the interest set out below in production payable by Payor, Paloma Partners IV, LLC, or its affiliates, from the property more fully described as:

Paloma – Crooked Pine 22\_15-12N-8W 4MHX and Crooked Pine 22\_15-12N-8W 6MHX in Section 22-12N-8W and in Section 15-12N-8W, containing 1280.00 acres, more or less, CANADIAN COUNTY, OKLAHOMA.

CREDIT TO:		DIVISION OF INTEREST		Overriding Royalty Interest	
C & R	Owner	Tract	Unit Equation	Combined Unit Multiple	Unit Decimal
		22-11	4.185700% x 160.0000 / 640.00	49.926014%	0.00522438
CROOKED PINE 4MHX					
		22-11	4.185700% x 160.0000 / 640.00	47.070475%	0.00492557
CROOKED PINE 6MHX					

The undersigned agrees to notify Payor in writing of any change in the division of interest, and no transfer of interest shall be binding on Payor until the recorded copy of the instrument of change, or documents satisfactorily evidencing such change, are furnished to Payor at the above address. Any change or transfer of interest shall be made effective on the first day of the month that commences 30 days after receipt of such notice by Payor.

In the event of a claim or dispute that affects title to the above referenced interest, Payor is authorized to withhold payments accruing to such interest, without interest, unless required by applicable statute, until the claim or dispute is settled. The undersigned agrees to indemnify and reimburse Payor any amount paid to the undersigned and to which the undersigned is not entitled, and to indemnify and hold Payor harmless from any action which is successfully asserted by or against Payor, directly or indirectly, arising out of its payments to the undersigned and will reimburse Payor for all reasonable expenses and attorney’s fees incurred by it in asserting or defending any such claim or cause of action.

This Division Order does not in any way amend any applicable lease or operating agreement between the Interest Owners and Lessee or Operator. The undersigned hereby expressly adopts, ratifies and confirms the validity of any and all underlying leases.

Payor may accrue proceeds until total amount equals \$25.00 or until December of each year, whichever occurs first, or as required by applicable state statute or lease provision.

WITNESSES:  
(Two for each signature)

Owner

Printed Name

Address

City, State

SSN/Tax ID

Daytime Phone

Email

Date



*Maps*



# Crooked Pine Property

Section: 22

Township: 12 North

Range: 08 West

Canadian County

Oklahoma







**Crooked Pine Property**

El Reno  
Regional  
Airport

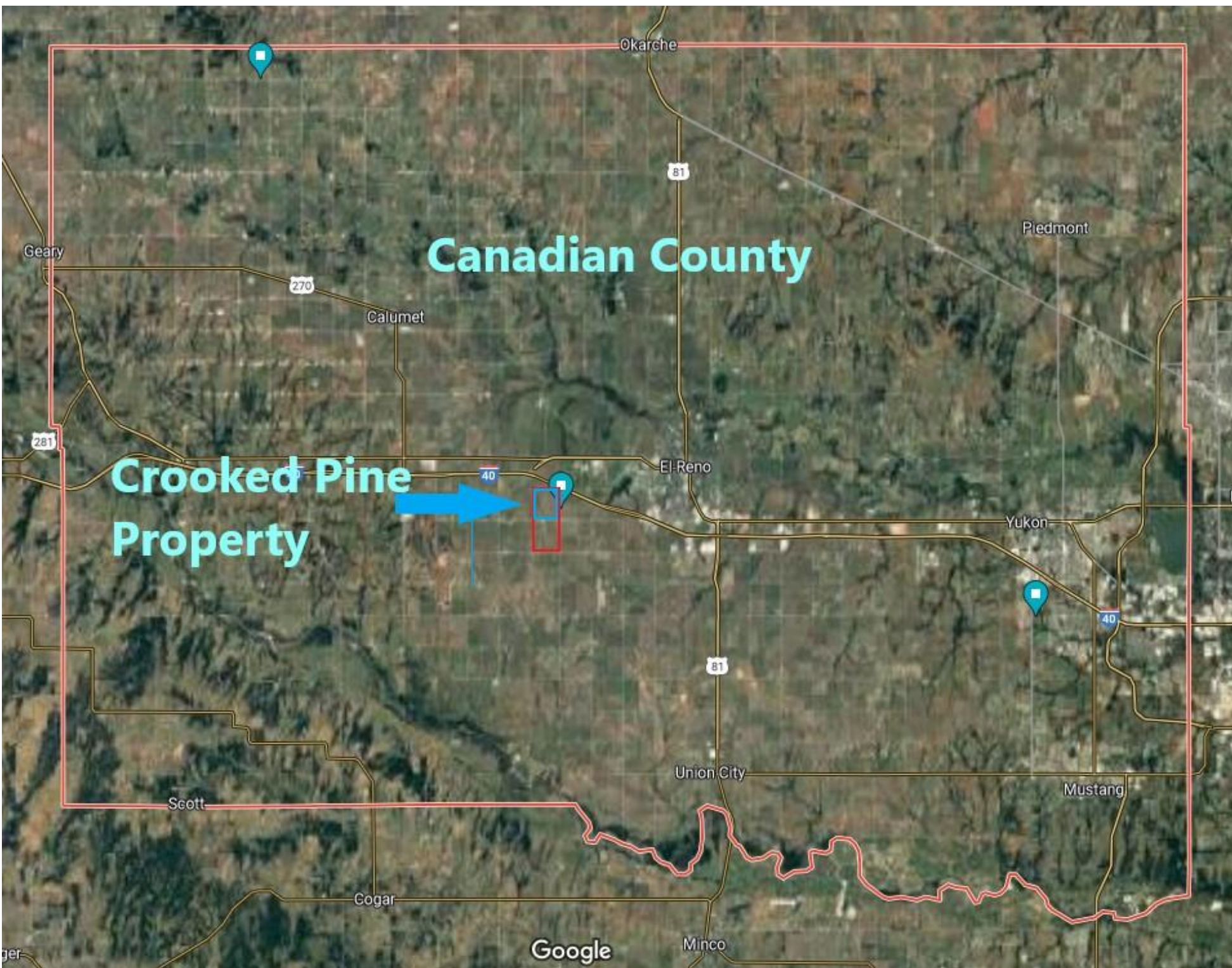
TWISTEX Memorial

Heaston Church

Google







A map of the state of Oklahoma, divided into its 77 counties. Each county is labeled with its name. The county of Canadian is highlighted in a solid yellow color. To the left of the map, the word "OKLAHOMA" is written in large, black, sans-serif capital letters.