January 30, 2013 • Volume 06, No. 04

PLS CAPITAL MARKETS

Serving the marketplace with news, analysis and business opportunities

ENERGY FINANCE

McClendon out after 24 years at Chesapeake helm

Chesapeake co-founder, CEO and president Aubrey McClendon will retire from the company April 1, the company announced. McClendon has led Chesapeake since its inception in 1989 and served as chairman until last year. Chesapeake also said its review of conflict-of-interest allegations surrounding McClendon has not uncovered any improper misconduct; the final report is scheduled for release on February 21. Markets reacted positively to the news of McClendon's retirement, with Chesapeake stock opening up ~11% (or ~$1.35 billion) this morning.

At Press Time

Ever since natural gas prices began to roll from a peak of over $13/MMbtu in mid-2008, Chesapeake has had to shift gears rapidly, and in the last year the company has been under fire from investors and analysts. The after-market move up on the stock is trader-driven, as the news brings finality to one chapter of the story, though arbitragers will be watching closely. Without McClendon, the rumor mill that Chesapeake might be put in play will no doubt rev up.

Continues On Pg 8

EnCap raises venture capital & makes midstream moves

Houston PE firm **EnCap Investments LP** appears to be putting money to work nearly as quickly as it can raise it in recent months. Recent securities filings indicate the company has raised nearly $5.0 billion in collective venture capital equity allocated among three funds. **EnCap Energy Capital Fund IX LP** has raised over $4.0 billion through 251 investors, **EnCap Energy Capital Fund IX-C LP** has raised $679 million with 56 investors and **EnCap Energy Capital Fund IX-D LP** has raised $287.8 million through 12 investors. All three funds are still openly raising capital so EnCap is not currently commenting on them.

Securities filings show EnCap has raised nearly $5.0 billion through open funds.

For now, EnCap is investing heavily through subsidiary **EnCap Flatrock Midstream's** $1.75 billion **EnCap Flatrock Midstream Fund II,** which closed in July. The fund recently put $200 million to work with Sugar Land midstreamer **Rangeland Energy,** supporting a launch of developments in West Texas and elsewhere in North America.

Continues On Pg 6

Icahn takes a bite out of offshore driller Transocean

Just as he completes some deft financial engineering with **CVR Energy** (see related story on page 12), activist investor Carl Icahn has taken a 1.56% stake in **Transocean.** Together with affiliates, Icahn holds another 1.70% interest in a "synthetic long position" including stock options. He also notified the company he is seeking antitrust approval to possibly acquire total securities in Transocean exceeding $682.1 million but less than 25% of outstanding voting shares. Representing a 3.5% interest at the time of the announcement, adding that stake to current holdings would push Icahn's position to over 5%, probably pushing his interest ahead of current number one shareholder **Capital One** at 5.12%.

Icahn will soon be Transocean's largest shareholder with over 5% interest.

The combined moves suggest to some that the freshly liability-reduced offshore driller may be in line for similar treatment as that received by CVR. Icahn did announce plans to seek a $4.00/share dividend, saying if Transocean did not agree to the move he would make a similar proposal at the company's next annual meeting. Before eliminating it in the wake of Macondo, Transocean paid a $3.16/share dividend. Icahn said the position was not a precursor to a takeover, but said he does plan to discuss strategy with the company and may pursue shareholder-selected board nominees.

Continues On Pg 11

ERG lines up credit to fund debt, capex and growth

Privately held upstreamer **ERG Resources** has obtained a $350 million senior secured credit facility through **Beal Bank** affiliate **CLG Energy Finance.** Proceeds will be used to repay ERG senior and secured debt, fund drilling opportunities and support general corporate purposes. **Stephens Inc.** was sole placement agent.

$350 million funding allows ERG to continue Cat Canyon development.

CFO Kelly Plato told **PLS** by email that proceeds will support development of ERG's Cat Canyon assets in California, acquired from Chevron in 2010. Plato, who recently joined ERG from **NGP Capital Resources,** also said the company is seeking acquisitions in California, Texas and the Gulf Coast to build on its 145 MMbbl proved. ERG also holds 100 MMbbl of probable and possible reserves.

CLG Energy Finance is a division of **CLG Hedge Fund** focusing on upstream debt and other energy investments. It serves the middle market, with investments in the $10-500 million range.

More private company financings inside

Private Equity & Debt

Northstar ups liquidity for 'aggressive' drilling program

Natural Gas Partners portfolio company **Northstar Offshore Group** announced $125 million in new equity funding plus the launch of a new $250 million revolver as it prepares for an "aggressive" drilling program this year and in 1H14. The equity piece largely derived from a $100 million injection from NGP (up from a prior $80 million investment), while Northstar management contributed another $25 million. The revolver will be administered by **Wells Fargo,** with additional participation from **Capital One Bank** and **Comerica.**

The company also announced $5.5 million in acquisitions from undisclosed private sellers, contributing to its exploration and development inventory. This is the third go-round for Northstar Offshore's management, having formed the firm last February after selling its second venture **Northstar Offshore Energy Partners** to a Korean consortium in December 2011 for $201 million. The new firm is focused on shallow-water US GOM acquisitions and development.

Top five US upstream stock winners & losers

Shares of **Hess** rose 33% last month, with half of the gains coming on news the company would exit refining, combined with news hedge fund **Elliott Associates** was taking an $800 million position in the company amounting to ~4% of shares.

Rosetta Resources shares climbed 22% on news the company grew reserves 25% last year to 201 MMboe with 58% liquids (vs. 54% in 2011). Record Q4 production of 44,400 boepd also beat estimates, as did annual daily production of 37,400 boepd (vs. consensus expectations of 36,600 boepd). D&C costs at the company's Briscoe and Gates Ranch plays in the Eagle Ford also came in $1.0 million below prior guidance at $6.5-7.0 million/well.

Rosetta shares up 22% on reserve growth & record production.

Meanwhile, **Bill Barrett** was down 8% over the past month due to several bearish announcements. The company announced a 46% YOY capex cut and noted additional asset sales may be necessary. Moreover, **Canaccord Genuity** downgraded Barrett on news of the company's focus on the Uinta and DJ Basin, explaining that Uinta crude sells at a $15-20/bbl discount to NYMEX due to high paraffin content and a limited market. Shares were further pressured by executive departures (see pg 6) and a BLM ruling mandating additional analysis of drilling in Colorado's Roan Plateau, where Barrett has holdings.

US Upstream Stock Movers—Last 30 Days

Source: **Capital IQ**

	Company	Ticker	$/Share 1/29/13	$/Share 12/30/12	% Change
Top 5	Hess	HES	$68.11	$51.28	33%
	Rosetta Resources	ROSE	$54.00	$44.10	22%
	Emerald Oil	EOX	$6.25	$5.12	22%
	Crimson Exploration	CXPO	$3.33	$2.74	22%
	Evolution Petroleum	EPM	$9.57	$7.96	20%
Bottom 5	ZaZa Energy	ZAZA	$1.68	$2.16	-22%
	Bill Barrett	BBG	$16.11	$17.49	-8%
	EXCO Resources	XCO	$6.42	$6.88	-7%
	Miller Energy Resources	MILL	$3.66	$3.88	-6%
	Saratoga Resources	SARA	$3.35	$3.45	-3%

Note: Data includes public,US-based companies operating in the E&P space, limited to companies >$1.00/share and market cap >$100 million.

Guggenheim backs Sekur's Viking buy for $50 million

Guggenheim Partners LLC granted Canadian E&P firm **Sekur Energy Management Corp.** a $50 million senior credit facility for the purchase and development of more than 100,000 gross acres of Viking oil property from AvenEx Energy Corp. Plans for the property include a horizontal development program initially targeting the Viking. Dallas-based **Petro Capital Securities** served as Sekur's advisor in the deal and secured the Guggenheim credit facility.

"The Sekur transaction was a success on many fronts as it demonstrated that US investors are now focusing on unconventional, highly technical plays outside of the Lower 48," said Petro Capital managing director Marvin Webb. "We expect M&A activity will continue to remain robust through 2013 with many under-worked assets and under-capitalized companies remaining the center of attention."

ABOUT PLS

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Private Equity & Debt Briefs

• **Atlas Resource Partners LP** priced a private offering of $275 million in 7.75% senior notes due 2021 at par. It was upsized 5% from a prior $250 million. Proceeds will fully repay borrowings under Atlas' term loan credit facility and partly repay borrowings under its revolver. Atlas also announced a Q4 distribution of $0.48/unit, up 12% from 3Q12's $0.43/unit and representing an annualized 8.5% yield using unit closing price the day prior to the news.

• **Gulf Coast Energy Resources** obtained a combined $125 million equity commitment from **Quantum Energy Partners** and **Global Reserve Group** to support acquisition and E&P along the Gulf Coast and offshore GOM. This will include development of three recent discoveries, two of which are onshore in Texas. The third is on the Gulf shelf. **Warburg Pincus** and company management previously backed the company with $250 million.

Public Equity & Debt Briefs

• **Magellan Petroleum** announced it would repurchase 9.3 million shares of common stock (representing 17% of total common) from **Glencore** subsidiary **Sopak AG,** along with a warrant entitling Sopak to purchase an additional 4.3 million shares, for $10 million cash. Magellan chief J. Thomas Wilson said the share price was attractive and the deal eliminated the dilutive overhang of the warrant. Wilson called the deal "a significant milestone in our path to deliver value to our shareholders."

• Fracking, CT and nitrogen services company **Platinum Energy Solutions** withdrew registration for its planned $300 million IPO in a move reminiscent of actions recently taken by larger peer **Frac Tech Services International.** Platinum originally filed to IPO in September 2011, but postponed plans last February citing "unfavorable market conditions."

Halcon upsizes debt offering 50% to $600 million

Halcon Resources announced a $400 million private offering of its 8.875% senior unsecured notes due 2021, which it quickly upsized to $600 million. The notes were priced at 105% of par. Net proceeds will be used to repay outstanding revolver debt and for general corporate purposes, including funding part of 2013 capex. Aside from issue date and pricing the notes are otherwise identical to those issued under a November offering of $750 million in notes.

Halcon 2013 capex now essentially funded, according to Baird.

Baird said the market would receive the upsizing favorably as it stands to reduce near-term liquidity and financing risk. Baird calculates that Halcon's 2013 capital plan is now essentially funded through the company's now-undrawn $850 million revolver and cash on hand.

Halcon reported $1.175 billion in long-term debt as of Q3, including $185 million in outstanding revolver debt. Factoring in the November $750 million offering and assuming a full revolver paydown would mean this latest offer increases long-term debt by 34% to $2.34 billion.

ATP suitor gets $600 million backing from Riverstone

McCarroll CEO of ATP for less than a week last year. Now he's back!

Beleaguered recent Chapter 11 filer **ATP Oil & Gas** is in play, with PE firm **Riverstone Holdings** backing former ATP CEO Matt McCarroll's **Fieldwood Energy** startup with $600 million cash alongside $25 million in management equity. Fieldwood is now in exclusive negotiations with second lien holders regarding an asset takeover plan and is working to come to an agreement.

Capital recipient Fieldwood led by former Dynamic Offshore chief.

McCarroll made headlines last year for his one-week stint as ATP's CEO in June, a position he took and subsequently quickly resigned after contract negotiations fell through. He was also chief of **Dynamic Offshore,** sold to **SandRidge Energy** in a now also somewhat controversial $1.3 billion deal last year. Riverstone also backed Dynamic, and other members of Dynamic's management have joined Fieldwood as well. The company will target both off- and onshore conventional producing properties, focusing on underworked assets and undercapitalized companies. Between management's track record and the firm's financial backing, McCarroll said he wants the company to become the "buyer of choice" for public and private operators seeking to monetize their holdings.

McCarroll was CEO of ATP for less than a week last year.

Riverstone has raised over $22 billion in equity capital, including $3.0 billion in energy-focused financing last year. It invested as much as $1.9 billion (including partner investments in some instances) in 2012, including a September investment of up to $200 million with unconventional Houston- and Alberta-focused E&P **Kerogen Energy.**

ATP filed for bankruptcy protection in August on a combination of impacts from the US Gulf of Mexico drilling moratorium and execution problems. At the time of filing, ATP owed $3.4 billion to over 1,000 creditors. It subsequently obtained a court-approved $618 million in financing from **Credit Suisse** and others to maintain operations. It has assets in the deepwater GOM, North Sea and Mediterranean.

ATP hopes to auction 18 shallow-water US GOM wells in February.

Recently, the company asked bankruptcy judge Marvin Isgur for permission to auction a group of 18 shallow-water GOM wells, seven of which are producing, and associated infrastructure and equipment. Seven unidentified entities are under confidentiality agreements related to the properties. If approved, letters of interest will be due February 5 to **Jefferies & Co.,** with the auction to occur on February 26.

Earnings & Capex

Hess to become pure E&P with planned sale of refining

Hess announced plans to exit the refinery business, with expectations to free up $1.0 billion in working capital in addition to sale proceeds, which will be redirected toward E&P. The company noted that its refining assets are either comparatively low-growth or ill-positioned and would require additional investment to comply with new regs. The news came alongside a new 4% equity stake by hedge fund **Elliott Associates.** Elliott also said it may nominate board candidates.

Hess also announced a proposed $6.8 billion capex budget, down 18% vs. 2012. Of that, $6.7 billion is slated for E&P, with $2.7 or 40% of total E&P spending targeting unconventional shale, $1.85 billion or 28% supporting production, $1.6 billion or 24% for development and $550 million or 8% slated for exploration.

Hess announcements applauded, with shares up 13% or $2.9 billion.

Bakken capex will drop 29% from 2012's $3.1 billion to $2.2 billion due to lower costs associated with pad drilling, greater HBP exposure and lower infrastructure spend. And Utica spending will rise from $300 million to $400 million this year. Production focuses include Equatorial Guinea, Norway, Shenzi and Llano in the GOM. Development spend will target Tubular Bells, the North Malay Basin and Thailand. Exploration will target Ghana and Kurdistan.

Hess earned $566 million in net income in Q4, a much stronger showing than 4Q11's $131 million loss. On an adjusted basis the quarter was fairly flat YOY, up 4% at $409 million. Earnings were also strong on an annual basis, up 30% at $2.22 billion. Production rose 8% YOY in Q4 to 396,000 boepd, supported by the Bakken and Libya. Bakken production rose 68% YOY.

Bill Barrett reveals 'prudent' $475-525 million capex plan

In conjunction with the departure of chief Fred Barrett, **Bill Barrett Corp.** is cutting capex 46% from the midpoint of its 2012 projection of $900-950 million to $475-525 million this year. Fred Barrett called the capex program "prudent" and focused on realizing value from core oil development assets; the company noted it is focused on not increasing total debt. Capex will be funded through discretionary cash flow, proceeds from non-core asset sales after paying off the company's credit facility, and "further asset sales" which since the phrase did not explicitly include the words "non-core" could potentially include core assets. LOEs and G&A spending should be comparable YOY.

2013 capex will reflect a 46% YOY drop.

The program will focus on Barrett's Uinta and DJ Basin programs, with plans to drill 150 gross operated wells with four rigs in the Uinta and two in the DJ. At least five low-risk development wells are also expected in the PRB.

Expected production is 227-238 MMcfed with 30% oil, a 55% increase in oil production after adjusting for a Q4 Piceance Basin sale. However, total production will reflect a significant 29% drop from midpoint of projected 2012 production of 323-334 MMcfed.

Exploration EVP Kurt Reinecke joined Fred Barrett in leaving the company.

Just a week after Fred Barrett's departure, recent securities filings show EVP of exploration Kurt Reinecke has also resigned. In its ongoing commentary on the situation, **Wells Fargo** suggested the move could be further indication that the company may emphasize development of current projects going forward as opposed to exploration. Wells Fargo expects narrowing focus on the Uinta and DJ Basins and the possibility of non-core asset sales. For more on Bill Barrett see **PLS's** most recent issue of ProspectCentre.

Public Equity & Debt

Denbury upsizes public debt refi to $1.2 billion

Denbury Resources has priced a public $1.2 billion, 4.625% senior subordinated note offering due 2023 at par. Proceeds will be used to repurchase up to all $426.4 million of its 9.75% senior subordinated notes due 2016 and all $224.9 million of its 9.5% senior subordinated notes due 2016 under a concurrent tender offer. Remaining proceeds will repay current borrowings under Denbury's $1.6 billion credit facility, which were reported as $625 million in Q3. The offering was upsized 20% from a previously announced $1.0 billion.

Interest on over $650 million in debt will drop from 9.5% or more to 4.625%.

Regarding the aforementioned tender offer, Denbury plans to pay 106.869% of par for each $1,000 of principal tendered for the 9.75% notes while paying 105.425% of par for each $1,000 worth of 9.5% notes tendered. Compensation for both series of notes includes a $30 consent payment which will be waived for notes tendered after the consent payment deadline. The tender offer is conditional on raising at least $1.0 billion in senior subordinated notes.

Denbury reported $2.91 billion in long-term debt as of Q3. Underwriters of the debt offering are **BofA Merrill Lynch, JP Morgan, Credit Suisse, Wells Fargo, Credit Agricole** and **RBC.** BofA Merrill Lynch is dealer manager and solicitation agent for the tender offer.

Public Equity & Debt

Cobalt shareholders cash in on deepwater Gulf find

A number of **Cobalt International Energy** shareholders completed a 40 million-share secondary public offering of Cobalt shares, apparently cashing in on a share price move after partner **Total** announced their North Platte discovery in the deepwater Gulf of Mexico back in December. Shares rose 19% when the prospective several hundred million barrel find was announced and have since managed to hold on to some of those gains.

Selling shareholders **First Reserve Corp., Goldman Sachs, Riverstone Holdings LLC, Carlyle Group** and **KERN Partners** would have generated a combined $1.07 billion using a share closing price of $26.75 the day prior to the announcement. The divestiture will increase public float by roughly 10%, and shares dropped 7.1% to $24.84 on the news. An underwriter option for an additional 6 million shares could increase gross proceeds by $160.5 million using the $26.75/share pricing. Underwriters were **Morgan Stanley** and **Citigroup.**

Using pre-announcement share prices, gross proceeds neared $1.1 billion.

Cobalt announced that as a result of the sale the shareholders now own less than a combined 50% of total outstanding shares and, as such, the company is no longer considered a "controlled company" for certain securities regulation exemption purposes.

Private Equity & Debt

Kodiak reloads revolver with private debt offering

Kodiak Oil & Gas has completed a $350 million, 5.5% senior note offering due 2021 and priced at par. The offering was upsized 17% from a previously announced $300 million. Net proceeds from the private placement were $343.4 million, and will be used to pay down current debt under its $750 million ($450 million borrowing base) revolver. As of Q3 that debt was reported as $115 million, while total long-term debt stood at $920.8 million. Prior to the upsizing, **Iberia Capital Partners** calculated pro forma the offering total debt will stand at $1.158 billion with $51 million outstanding under the revolver. Post-upsizing, Kodiak notes its pro forma revolver balance will be $1.6 million.

Debt offering was upsized 17% to $350 million from prior $300 million.

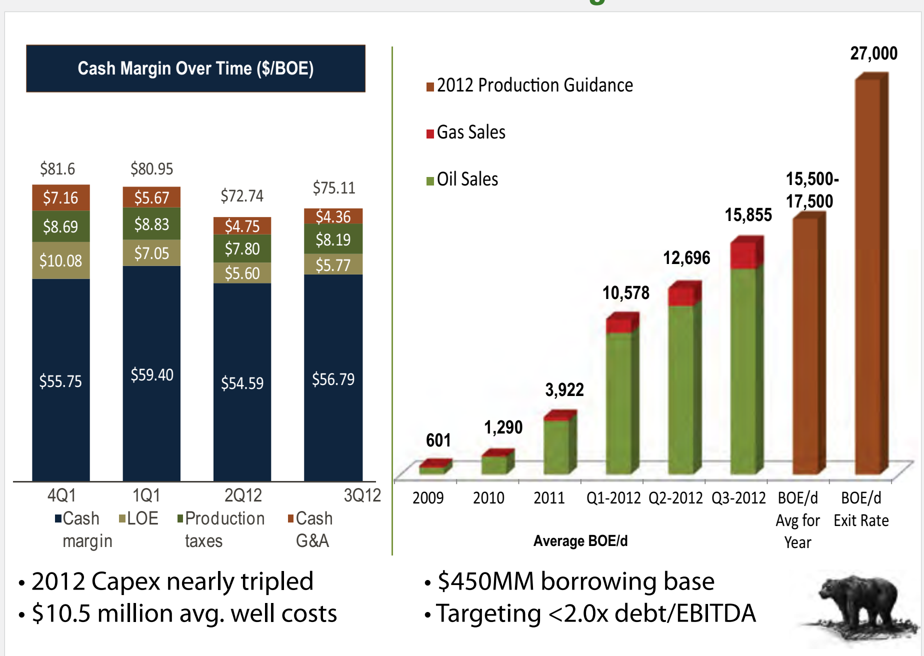
Kodiak provided 2013 capex guidance of $775 million. Bakken drilling and completion of 61 net operated wells will consume $600 million or 77%, while $140 million or 18% will support D&C of 14 net non-op wells. Roughly 5% or $35 million will fund water disposal, well connections and acquisitions, as well as other items. The company explicitly noted that no 2013 spending would go to its 7,000 net Green River Basin acres. Kodiak plans to operate six drilling rigs and one 24-hour completion spread this year, with the option for a second completion spread. Funding will be sourced from working capital, operating cash and Kodiak's freshly cocked revolver. The capex plan is a 3% increase over 2012's $750 million.

Well costs dropped significantly last year with additional declines expected.

Kodiak also provided full-year average sales volume guidance of 29,000-31,000 boepd and 2013 exit rate guidance of 38,000-40,000 boepd. Should the company meet its average sale target, production will have grown over 80% YOY.

Kodiak chief Lynn Peterson said well costs dropped significantly last year, and expects them to drop further this year. Peterson said most acreage was held by production, allowing focus on efficient multi-well pad development drilling, and that much infrastructure was now in place.

Kodiak Costs Down as Production & Margins Rise



Source: Kodiak Oil & Gas December 4 Presentation via **PLS docFinder www.plsx.com/finder**

Private Equity & Debt

EnCap continues to invest in midstream

Continued From Pg 1

The company focuses on rail and pipeline infrastructure for crude, natural gas, NGLs and petroleum products, particularly targeting West Texas, New Mexico, the Gulf Coast, California and Canada. Last month Rangeland sold its Bakken crude distribution hub, also funded by EnCap Flatrock, to **Inergy Midstream** for $425 million. EnCap's initial investment in November 2009 was $115 million, so reinvesting with Rangeland was not a difficult decision. EnCap Flatrock founder and managing partner Bill Waldrip said his firm was "extremely impressed with the quality and scope of the asset base that Rangeland assembled in the Bakken Shale in a very short period of time."

Repeat investment Rangeland getting $200 million to develop new liquids hubs.

As for Rangeland's financing, CEO Christopher Keene said "We didn't look anywhere else." Keene said Rangeland would use funding to target similar work in emerging plays, focusing on liquids and continuing to develop the "hub concept." Rangeland also brought on former **BP** and **Amoco** midstream veteran Pat McGannon as VP of business development, and Keene said it may build out further as it takes on multiple projects.

EnCap's midstream fund put another $100 million to work with The Woodlands-based **Tradition Midstream** to develop shale assets in Texas, Oklahoma and Louisiana focusing on the Eagle Ford, Eaglebine, Mississippian and the Tuscaloosa Marine Shale. President Don Brown said the company was interested in acquisitions, but noted current high prices and said Tradition would also do greenfield work. Tradition's management team is comprised of **Dynegy** alums and has been together for eight years. The group previously ran **Millennium Midstream** Partners, sold to Eagle Rock Energy Partners in 2008. They stayed with Eagle Rock for two years and launched Tradition in 2010.

Tradition got $100 million for Texas, Oklahoma & Louisiana midstream.

Brown said the combination of EnCap Flatrock's "tremendous" financial strength and midstream expertise and Tradition's industry experience created a very strong partnership. EnCap Flatrock managing partner William Lemmons Jr. called Tradition a "best-in-class" midstream company with a well-known, highly regarded and top-notch team.

Portfolio company money moves—

Just prior to these new investments, EnCap Flatrock announced Utica-focused midstream portfolio company **Caiman Energy II LLC** was partnering with **Dominion** in a new $1.5 billion JV to be called **Blue Racer Midstream.** Focusing on Ohio and Pennsylvania Utica development, Blue Racer is receiving up to $800 million in PE capital from Caiman and midstream assets from Dominion. EnCap Flatrock is contributing up to $285 million of that sum, while other Caiman stakeholders **Williams Partners, Highstar Capital** and Caiman management contributing up to $380 million, $95 million and $40 million respectively. The goal is to significantly increase gathering, processing, fractionation and NGL transportation capacity and provide marketing for growing Utica production. The partners believe the JV's gathering system could be expanded to 2 Bcfd of natural gas capacity. EnCap Flatrock saw notable returns from the Caiman team last year when its Marcellus assets were acquired by Williams Partners for $2.4 billion.

Backing new Caiman JV with up to $285 million in funding.

Concurrently, EnCap Flatrock and EnCap Investments vehicle **Cardinal Midstream** sold substantially all assets to **Atlas Pipeline Partners LP** for $600 million. The sale included three Woodford cryo processing plants, ~66 miles of gathering lines and other assets.

Midstream Capital Markets

On flat capex, Carrizo to tap $63 million Utica option

Carrizo Oil & Gas announced 2013 capex plans of $624 million, down a modest 1.9% from last year's projected $636 million. D&C activity will consume $500 million of the total, with $385 million directed toward the Eagle Ford, $70 million toward the Marcellus and $35 million in the Niobrara. Chief Chip Johnson, IV said the plan would allow the company to maintain drilling activity of three Eagle Ford rigs, one Marcellus and one Niobrara rig, plus add a second rig in the Niobrara for all of 2013. Johnson said the company's 2013 goals of 28% annual oil production growth and 3% gas production cuts remain on track.

77% of $500 million drilling capex will be spent in Eagle Ford.

The remaining $124 million will fund land, seismic and related activities. Johnson said land costs would be heavily front-loaded and would include exercise of a $63 million option for acreage in the southern Utica through **Avista Capital.** The option will bring Carrizo's net Utica position to 14,000 acres.

Finally, Johnson noted Q4 volumes should land near the high end of guidance of 8,700 bopd and 99 MMcfd for gas and liquids.

McMoRan earnings fall in Q4

McMoran Exploration reported a $1.2 million Q4 net loss, compared to a 4Q11 $28.4 million gain. The latest results included a $39.7 million gain on sales of two US Gulf of Mexico properties. On the year, McMoran lost $145.6 million vs. 2011's $58.8 million loss. McMoRan is being acquired by former parent **Freeport-McMoRan Copper & Gold** for $2.4 billion alongside a separate but jointly announced $6.9 billion deal for **Plains Exploration & Production.**

Q4 production was 119 MMcfed, down 30% YOY but in line with internal estimates. It is expected to drop to 100 MMcfed this quarter. Total 2012 capex was essentially flat at $505.1 million.

Midstream Capital Markets

Option fully exercised in public NuStar note raise

NuStar Logistics LP grossed $402.5 million via a public offering of 7.625% fixed-to-floating rate subordinated notes due 2043. This total included full exercise of an additional $52.5 million in notes above the $350 million base offering. Net proceeds of $391.5 million will be used for general partnership purposes, including repayment of outstanding revolver debt which NuStar reported as $347.1 million in Q3. The partnership said it may again tap the revolver to pay part of the purchase price related to acquisition of certain assets from **TexStar Crude Oil Services, TexStar Crude Oil Pipeline, TexStar Midstream Utility, TexStar Midstream Transport, TexStar Midstream Services** and **Frio Pipeline.**

Lead underwriters were **Citigroup, RBC, UBS** and **Wells Fargo.** Senior co-managers were **Barclays, Credit Suisse, Deutsche Bank, JP Morgan, Raymond James** and **Stifel Nicolaus.**

ETP paying down revolver with $1.25 billion in new debt

Energy Transfer Partners is raising a combined $1.25 billion gross through two public debt offerings. ETP is selling $800 million in 3.6% senior notes due 2023 and $450 million in 5.15% senior notes due 2043. Net proceeds of $1.24 billion will be used to repay outstanding revolver debt and support general partnership purposes.

ETP reported combined total long-term debt of $8.69 billion in Q3. With $491.9 million then-outstanding under the revolver, remaining liquidity was $1.98 billion. However, ETP subsequently tacked on $620 million in support of its **Sunoco** acquisition, so were the partnership to substantially pay off revolver debt long-term debt would be fairly static. Lead underwriters are **Merrill Lynch, SunTrust, Wells Fargo, Credit Suisse, Goldman Sachs, US Bancorp** and **RBC.** Co-managers are **DNB Markets, Mitsubishi UFJ Securities, PNC Capital Markets** and **UBS.**

Buckeye raising $315 million in equity toward debt refi

Buckeye Partners LP priced a 6 million-unit public offering at $52.54/unit, for estimated gross proceeds of $315.2 million. A 900,000-unit underwriter option could increase gross by $47.3 million. Proceeds will be used to reduce revolver debt.

The offering would amount to a 6.1% dilution to current float. The offer was priced at a 3.6% discount to the prior day's close, while units fell 4.2% on the news. While Buckeye did not break out revolver debt under its Q3 securities filings, it did note its intentions to use the revolver to refi $300.0 million in 4.625% notes coming due in July.

Lead underwriters are **Barclays, Citigroup, Morgan Stanley, Wells Fargo, Deutsche Bank, JP Morgan** and **UBS.** Co-managers are **RBC** and **Jefferies.**

Crosstex raising $153 million in equity to fund projects

Crosstex Energy concurrently announced public and private equity offerings which should raise a combined ~$153 million in gross proceeds. The company is selling 7.5 million units at $15.15/unit via public offering for estimated gross proceeds of $113.6 million. A 1.125 million-unit option could add another $17.0 million gross. Crosstex is also selling 2.7 million units to certain **Magnetar Capital** funds at $14.55/unit private offering. This is a 4% discount to the public offer, but Crosstex said this is what it expects to net per share in the public offering (for a projected $109.1 million net under the public offer, assuming no option exercise). Joint proceeds will fund capex for currently identified projects, including expansion of the Cajun-Sibon NGL pipeline, as well as general partnership purposes.

Crosstex expects to net $14.55/unit in public offering or $109 million.

The public offer was priced 3.9% below the prior day's unit closing price, but units only dropped 2.6% on the news. Assuming no exercise of the option, new units including the privately issued ones will represent a 15.3% dilution to public float. Underwriters of the public offering are **Wells Fargo, BofA Merrill Lynch, Citigroup, Morgan Stanley** and **RBC.**

Rockies Express Pipeline announces $525 million refi

Tallgrass Energy Partners' Rockies Express Pipeline LLC plans to sell $525 million in senior unsecured notes due 2019 via private placement. Net proceeds will be used to redeem all outstanding 6.25% senior notes due this year. Any remaining proceeds will support working capital and general corporate purposes. Tallgrass acquired **Kinder Morgan Energy Partners'** 50% stake in the pipeline along with other assets in November for $1.8 billion ($3.3 billion including assumed REX debt). Quarter-stake holders are **Phillips 66** and **Sempra Energy.**

Moody's downgraded REX's corporate family debt rating from Ba2 to Ba1 on news of the proposed offering and changed outlook from stable to negative. Moody's VP Pete Speer called the refi "a missed opportunity for debt reduction."

Capital Markets News

BP expects US to be 99% energy independent by 2030

BP expects unconventionals to play a bigger role in meeting global energy needs over the next 20 years but sees oil declining as a percentage of global energy consumption during the same period, as noted in its recently released annual energy outlook. However, BP goes one step beyond EIA's recent projections of the US surpassing Saudi liquids production by 2014, saying the shift will occur this year. The company projects gas and coal consumption will rise as oil use mitigates.

Global energy demand to grow 36% vs. 2011 levels by 2030.

The US is expected to be 99% energy self-sufficient by 2030 on higher production and moderating demand (vs. 70% self-sufficient in 2005). Meanwhile China, India and other major emerging economies are expected to increase energy imports, with significant impacts for balances of trade. Russia is expected to be the world's leader in meeting that demand as the largest global exporter of fossil fuels overall, while Saudi Arabia should maintain its position as world's largest oil exporter.

Overall global energy demand is expected to grow 36% beyond 2011 levels by 2030 (largely unchanged from last year's prediction) driven by emerging economies. However, BP now sees unconventionals including shale gas, tight oil, heavy oil and biofuels as meeting a larger portion of that demand. Overall demand is expected to rise 1.6% per year to 2030. Non-OECD countries are expected to generate 93% of this demand, with China and India comprising over half. Non-OECD energy use is expected to grow 61% vs. 2011 levels, while OECD demand grows only 6% and actually shrinks on a per capita basis. Oil, gas and coal are each expected to have 26-28% of the market by 2030, with nuclear, hydro and renewables each bearing 6-7%.

Unconventional crude to account for all net production growth to 2020.

In terms of crude supply, unconventional production will account for all net supply growth to 2020 and over 70% of growth to 2030. According to CEO Bob Dudley, "Fears over oil running out … appear increasingly groundless." However, oil demand is expected to grow just 0.8% per year or 16 MMbopd between 2011 and 2030. Nearly all new net demand is expected to stem from China, India and the Middle East. Continues On Pg 9

McClendon out after 24 years Continued From Pg 1

Chesapeake's woes with the gas production boom are not isolated. Other large and successful drillers got caught, like **Southwestern Energy.** Chesapeake, Southwestern and a host of other solid companies with solid gas assets under their belt may well be in the line of sight of super majors looking for acquisitions. The last notable A&D move on the scale of a Chesapeake buy was back in July 2011 when **BHP Billiton** bought **Petrohawk** for $15.1 billion. More recently, **ExxonMobil** just expanded up north into Canadian unconventionals with a $3.1 billion purchase of **Celtic Exploration.** Just this week, **Hess** announced it is exiting refining to become a pure-play E&P firm and markets applauded, sending the shares up 10% (or about $2.3 billion).

McClendon resignation brings both certainty and uncertainty to Chesapeake.

Public companies respond to market influences, as evidenced by the chain of events at Chesapeake. This, however, does not discount the visionary role McClendon has played over the years. In today's press release, Chairman Archie Dunham called McClendon a pioneer in the development of unconventional resources and the cause of US energy independence. "However, as the company moves towards more fully developing the value of its outstanding assets, Chesapeake is at an important transition in its history and Aubrey and the board of directors have agreed that the time has come for the company to select a new leader," Dunham said.

McClendon echoed those sentiments, saying, "While I have certain philosophical differences with the new board, I look forward to working with the company and the board to provide a smooth transition to new leadership for the company."

Midstream Capital Markets

Cheniere sub Sabine raising $1.5 billion in new debt

Cheniere Energy Partners sub **Sabine Pass Liquefaction LLC** priced at par a $1.5 billion offering in senior secured notes due 2021 via private offering. The notes will bear interest at 5.625% per year. Proceeds will pay capital costs associated with construction of the first two liquefaction trains at Cheniere's Sabine Pass LNG plant in Cameron Parish, Louisiana. Cheniere said the offering—upsized from an initially announced $1.0 billion—is in lieu of tapping a similar amount under its $3.6 billion Term Loan A facility, and the new debt will rank equally with debt under that facility and any other senior debt.

Cheniere reported $2.30 billion in long-term debt as of Q3, including $100 million drawn under the credit facility. As such, the new debt amounts to a 65% increase to partnership long-term debt.

Global X launches ETF for small-cap MLPs

ETF provider **Global X Funds** announced launch of its **Global X Junior MLP ETF** fund, the first and only ETF focusing on small-cap MLPs. Global X notes that smaller MLPs often manage increasingly important assets on the back of North American energy development, but have not experienced the same degree of unit price growth as larger peers in many instances due to their non-inclusion in major MLP indices.

The fund tracks the Solactive Junior MLP index which includes 25 MLPs, the largest of which are **Suburban Propane Partners, Northern Tier Energy** and **Alliance Resource Partners.** The ETF will pay quarterly distributions and trades as MLPJ.

Besting Apple: How Exxon got its groove back

Last year **ExxonMobil** notably lost its title as world's largest publicly traded company by market cap to **Apple,** as shares of the tech giant surged to all-time highs. But since September when Apple shares cracked $700 and topped out at $702.10, the company went into decline tied to the death of founder and company creative guru Steve Jobs, reinforced by somewhat tepid market reaction to recent product releases and a recent underwhelming earnings announcement.

Apple's market capitalization surpassed $600 billion late last year.

Many analysts are also raising the possibility of a shift in the general investment thesis for the company from a growth story to a value stock. Such transitions occur as a company reaches natural market segment limits, growth curtails and the company restructures its focus on return to shareholders. The shift is an inevitable part of many growth company stories, but can be incredibly painful to shareholders as growth-focused investors vacate ownership. Shares closed out last week at $439.85, down 37% from their fall all-time high.

Exxon and Apple now neck-and-neck for public market cap leader.

Meanwhile Exxon has been its consistent stable self, up 6% over the past year, at least partly due to solid and gradually improving crude pricing over the same period. The spread in market cap between the two companies widened to as much as $240 billion before Apple's implosion. Now, roughly a full year after Apple surpassed Exxon in market cap, the companies are practically even, with Exxon taking back its title briefly last week. But Apple had again edged out Exxon as of press time, with Apple ticking up intraday Monday to a $424.6 billion market cap and Exxon dropping slightly to $414.8 billion. Regardless, if recent trends continue Exxon appears poised to resolidify its position as king of public equities.

BP says US will pass Saudi liquids output Continued From Pg 8

Liquids supply growth is expected to derive primarily from the Americas and Middle East, with more than half coming online through non-OPEC sources. In addition to overtaking Saudi Arabia in liquids production this year, BP projects US oil imports will fall 70% from 2011 levels by 2030. Meanwhile OPEC oil market share is expected to decline early on, but to rebound somewhat after 2020. Chief economist Christof Ruhl sees spare capacity hitting its highest levels since the late 1980s by 2015.

Global oil production capacity to hit highest level since late 1980s in 2015.

Gas should see the fastest fossil fuel demand growth over the period at 2.0%, with non-OECD countries accounting for 76% of growth. Much of this is expected to support increased power generation and industrial use. LNG production should grow even faster at 4.3%, accounting for 27% of supply growth to 2030. Shale should cover an even larger portion of demand growth at 37% (presumably with some overlap). It should account for over half of US gas production and 16% of global by 2030.

As for global exploitation of shales, despite technology advances and attractive commodity prices BP said a combination of other factors such as "a strong and competitive service sector, land access facilitated by private ownership, liquid markets and favourable regulatory terms" make the US and Canada somewhat unique animals. Ruhl said other regions should adapt and develop their resources over time, but the company still expects North America to dominate both oil and gas shale production by 2030.

LNG output to grow 4.3% per year to 2030, while gas grows 2.0% per year.

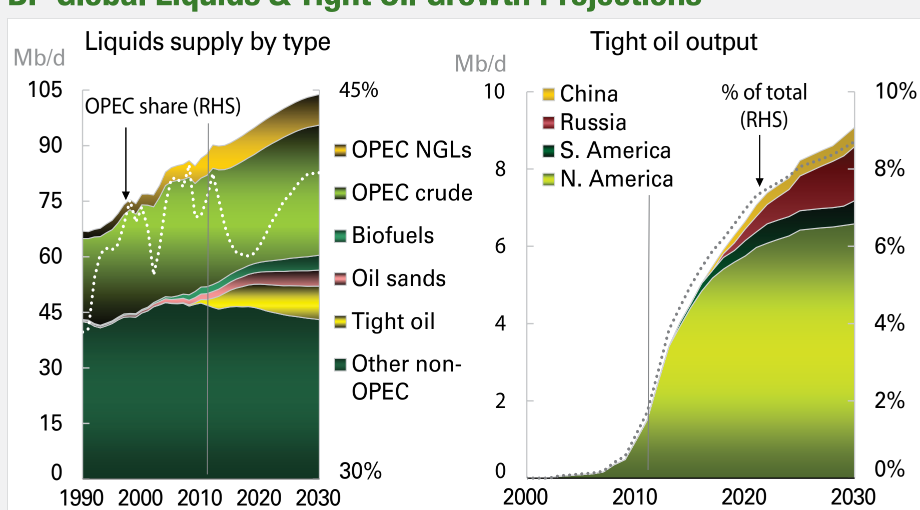
Regarding shale gas specifically, North America should account for 73% of global production, although the region's production growth is expected to slow after 2020 while other regions pick up the pace.

China to pass US as largest nuclear energy producer by 2026.

Coal is expected to rise 1.2% per year through 2030. China and India are expected to account for 93% of total growth, with combined global consumption rising from 57% in 2011 to 65% by 2030. India should pass the US as second-largest coal consumer in 2024.

Nuclear growth should ramp to 2.6%/year during the period, vs. a tepid 1.6% from 1990-2010. China, India and Russia will account for 88% of growth, with China increasing from 3% of global nuclear to 30% in 2030 and passing the US as largest producer in 2026.

BP Global Liquids & Tight Oil Growth Projections



Source: BP January 16 Presentation via **PLS docFinder www.plsx.com/finder**

Oilfield Service Capital

Completion bottlenecks are gone, says Spears

Although the firm did not provide a specific estimate, D&C costs should be on the downtrend this year according to **Spears & Associates'** recent presentation to the **American Association of Drilling Engineers.** Vice President Richard Spears noted that record idle frac horsepower is ubiquitous and completion service bottlenecks are no longer a problem. Spears examined 2012 D&C costs by segment, and reported that pricing in each segment has been on the wane for nearly a year. He compared trends in stimulation, land drilling and technical services using 1Q08 pricing as a benchmark.

At $90/bbl oil and $3/Mcf gas drilling & completion is easy, says Spears.

Perhaps not surprisingly, stimulation prices have fallen the most dramatically over the past year (about 15%), after doubling from 1Q10 to Q4 2011. Meanwhile, land drilling fell from roughly even with the benchmark a year ago to 90% now while technical services are down just slightly vs. a year ago at ~118% of 1Q08 levels.

Reviewing segment revenue data for **Halliburton, Trican, Nabors** and **RPC's Cudd Energy Services,** Spears showed pressure pumping sales by quarter have been in significant decline after 1Q12's segment peak for the companies of more than $3.5 billion (which fell to $3.25 billion in Q3). Capacity overbuild was the cause. Spears anticipates frac horsepower utilization will rise a few percentage points this year to ~65%, while new capacity continues to dribble into the market, although down massively from last year's 20% increase. All of this follows two years (2010-2011) of gangbuster growth—sales were just below $1.5 billion in 1Q10.

US land drilling sales likely to drop this year, says Spears.

As for other segments, sales by the largest four land drillers were nearly flat through 3Q12 (at roughly $2.25 billion/quarter) after strong growth in 2010-2011. Spears thinks this combined with more recent information may indicate declines this year. Drill bit sales also appear to have leveled out at just above $1.0 billion after consistent and solid growth over the two preceding years. Spears believes sales may yet increase slowly this year. Directional drilling has also fallen off, although still seeing modest growth. The Big 4 reported continued growth through 3Q12 last year (topping out in Q3 at just under $2.5 billion), but sales were only slightly above 4Q11's levels, compared to 2011 when the segment saw a hefty uptick. One segment poised to continue recent trends is completion equipment, which Spears said was being supported by sleeve tools and other gear. The segment topped $1.8 billion in sales in 3Q12. And although overall 2012 growth appears as if it may be slower than 2011's robust move, Q4 has been the outperforming quarter for the segment the past few years so when the quarter's story is told we may see another new high.

Completion equipment sales still poised for growth.

Globally, after 10% growth last year following 2011's 21% growth, Spears anticipates the oilfield equipment and service market will grow another 9% this year to over $390 billion. By segment, the well construction market should also grow 9% (vs. 2011's 19% and 2012's 12%) to ~$95 billion, completion should grow 8% (vs. 2011's 44% and 2012's 11%) to ~$87.5 billion, production equipment and services should grow 13% (vs. 2011's 24% and 2012's 15%) to ~$29 billion and subsea should grow 13% (vs. 2011's 16% and 2012's 12%) to $16 billion.

Not only has overall service and equipment supply increased, but so has efficiency. Increased pad drilling means rig count is becoming less of an indicator of drilling demand. Spears said a more accurate demand indicator going forward is the number of horizontal wells constructed. Spears sees the US land drilling count rising only marginally from last year to 2,000. Meanwhile, new US horizontal wells should increase ~5% this year to 17,000. Spears also expects new wells drilled globally to increase 5% to ~77,000.

Mid-Atlantic state & local bonds to benefit from shale

Kroll Bond Rating Agency finds Mid-Atlantic frac-friendly states Ohio, Pennsylvania and West Virginia should see improved credit quality for state and locally issued bonds. Kroll said Marcellus and Utica activity was likely to generate billions in economic activity by 2020, barring a major environmental incident.

Kroll urged policymakers to create oil and gas trust funds with proceeds, citing North Dakota's fund which should reach $1.3 billion in 2014. The outlook was not as clear for New York, which Kroll said may continue to experience localized conflicts and economic hindrances.

Legal/Regulatory Briefs

• **BP** is seeking a ruling from the federal judge overseeing current Gulf spill litigation that 800,000 bbls of oil collected at the Macondo wellhead not be counted toward civil fines under Clean Water Act violation calculations. The US government asserts the well discharged 4.9 MMbbls during the spill. BP asserts such a calculation should only consider oil discharged into water or the environment. Should the court find BP grossly negligent in the matter, such a reduction could cut up to $3.4 billion from a $21 billion possible maximum penalty.

• A **Deutsche Bank** unit will pay a $1.5 million civil penalty to settle with FERC regarding power market manipulation charges in California. The I-bank will also disgorge $172,645 in "unjust profits" per the FERC order, although it also neither admits nor denies the allegations. FERC alleged Deutsche Bank intentionally lost money on physical trades to make derivative profits, which Deutsche Bank disputed. FERC is also pursuing a $470 million fine against **Barclays** for similar charges and a six-month ban for **JP Morgan** from certain US power markets.

Legal/Regulatory News

Administration drops public land drilling proposal

After criticism from both sides, the Obama administration dropped last year's proposal regarding drilling on public lands, which would also have amounted to the first major federal rules governing fracking. The Bureau of Land Management is now planning an entirely new draft rule plus public comment period, which regardless of content should cause significant delay in any major regulation of drilling and fracking on federal land.

The new draft is expected by the end of 1Q13 according to DOI spokesman Blake Androff, with improvements intended to "maximize flexibility, facilitate coordination with state practices and ensure that operators on public lands implement best practices." BLM said it received over 170,000 public comments on the previous draft, which will provide guidance.

Old rule covered chemical disclosure, well standards and flowback rules.

The now-discarded draft would have required disclosure of chemical composition of proprietary fluids, but because the disclosure was mandated post-usage, the rule was opposed by both industry and environmentalists. Industry groups were opposed more broadly asserting compliance costs could discourage production and regulation is overall better left to the states. The draft also contained new well construction standards, testing requirements and flowback water mandates. The new version will likely contain variations on most of these themes, so outlook still appears uncertain. DOI's Androff asserted that many of the technologies that would have been utilized under the old draft are already being incorporated by companies as best practices. **API's** Jack Gerard welcomed the decision but said "the real test will be in the substance of the re-proposal."

The new reg will cover roughly 6% of US onshore oil and 13% of US onshore gas production according to **ClearView Energy Partners.**

Capital Markets News

Icahn takes a bite out of Transocean Continued From Pg 1

The company was already in the midst of a turnaround. Transocean has nine newbuilds on order with a focus on deepwater while concurrently largely liquidating its fleet of older jackups in a $1.05 billion sale to startup **Shelf Drilling.** Shares are up ~35% YOY, the best performance on the Philadelphia Oil Service Sector Index. Analysts are expecting 83% YOY EBITDA growth for 2012, with expectations of another 39% growth through 2014. And 2012 revenues are expected to increase for the first time since 2008. **Oracle Investment Research** (which owns Transocean shares) money manager Laurence Balter said the company is "extremely" undervalued, "a classic Icahn trade." Now that Transocean has settled with the federal government for $1.4 billion, it has become even more compelling to investors. And Icahn's moves indicate shares could move higher on additional steps to realize value, including not only the proposed dividend but also perhaps a drilling MLP following in the wake of **Seadrill's Seadrill Partners LLC.**

Transocean has regeared toward newer, deeper fleet & settled with feds.

Tudor Pickering's Joe Hill told Bloomberg "I would guess he's going after an MLP because there aren't a whole lot of other levers to pull." Former interim Transocean CFO Greg Cauthen indicated the company was exploring the idea back in November calling it "interesting." His subsequent replacement by former Seadrill CFO Esa Ikaeheimonen seems to provide additional evidence of the possibility. The financial structure, which relies heavily on capital visibility and stability, has been popular with midstream, upstream and downstream players, but Seadrill's move appears to have expanded the MLP sandbox to service operators as well.

Analysts expect 39% EBITDA growth for Transocean through 2014.

Technically speaking, Seadrill's spinoff was an LP not an MLP, and **Sanford Bernstein's** Scott Gruber told Bloomberg Transocean may follow suit. Foreign domiciled companies such as Transocean and Seadrill do not benefit from MLP-specific tax treatment, thus Seadrill's opting for the limited partnership structure instead. Yield via distributions to unitholders is the primary driver for interest in an LP, something Transocean could also achieve by reinstating its dividend.

Analysts expect Icahn to push for MLP spinoff; debate wisdom of doing so.

Tudor Pickering's Hill said an MLP would be fine as an experiment, but expressed skepticism of a significant value lift on the move. Oracle's Balter appears to agree, noting MLPs can give a quick boost to the parent enterprise at first, but ultimately can remove some of a company's best assets from its balance sheet. Sanford Bernstein's Gruber showed insight, noting before Icahn's dividend comments that another option could be for Icahn to just encourage cost cutting, debt reduction and old asset divestitures while reinstating the company's pre-Macondo dividend.

The company appeared to already be pursuing such a track even before Icahn's involvement, announcing redemption of a remaining $62 million in 1.5% convertible senior notes due 2037 after completing a $1.66 billion redemption of the notes in December.

Downstream Capital Markets

CVR Refining LP completes IPO at $25 per unit

CVR Energy spinoff **CVR Refining LP** closed a 24 million-unit IPO priced at $25.00/unit, grossing $600 million. A 3.6 million-unit option could gross another $90 million, and the offer was upsized 20%. CVR Energy retains an 83.7% stake in Refining assuming no exercise of the option and owns Refining's GP **CVR Refining Holdings**. CVR chairman Carl Icahn also bought 4 million units of Refining for a resulting 2.7% direct stake (Icahn is also majority stakeholder of CVR Energy). Units have risen 15% since the January 23 IPO.

Refining spinoff's IPO upsized 20% to 24 million units; grossed $600 million.

CVR Refining owns a 115,000 bpd oil refinery in Coffeyville, Kansas and a 70,000 bpd refinery in Wynnewood, Oklahoma along with associated infrastructure. Lead underwriters were **Credit Suisse, Citigroup, Barclays, UBS** and **Jefferies,** with support from **JP Morgan, Macquarie and Simmons & Co.**

One-time dividend yields 10.7%; new quarterly dividend to yield 5.8%.

CVR parent is paying a $480 million special dividend at $5.50/unit and initiating a quarterly dividend of $0.75/unit. Using share closing price the day prior to the announcements, this results in a 10.7% yield on the one time dividend and a 5.8% annualized yield on the quarterly. And CVR Coffeyville subsidiaries are also using IPO proceeds to redeem all $222.8 million of their 10.875% senior secured notes due 2017 at par plus an indenture-related premium. Another $160 million will prefund maintenance and environmental capex through 2014, while $54 million will fund 4Q12 turnaround costs at the Wynnewood refinery. Any option proceeds will go to the GP.

Icahn took over CVR in May after a contentious debate with management, and then unsuccessfully attempted to sell the company. The MLP and dividends appear to have been Icahn's secondary plan, but the strategy appears to be working as shares recently closed at all-time highs.

CVR Refining LP Historical Financials

	Historical Year End,			Pro Forma YE 2011	Pro Forma 9 Mnths Ending 9/30
	2009	2010	2011	2011	2012
Net income	$64.6	$38.2	$480.3	$749.0	$565.1
Add: Interest expense and other financing costs	$43.8	$49.7	$53.0	$41.7	$31.6
Add: Depreciation and amortization	$64.4	$66.4	$69.8	$98.9	$80.4
EBITDA	**$172.8**	**$154.3**	**$603.1**	**$889.6**	**$677.1**
Add: FIFO impacts (favorable), unfavorable	($67.9)	($31.7)	($25.6)	($46.6)	54.3
Add: Share-based compensation	$2.5	$11.5	$8.9	$8.9	$15.6
Add: Loss on disposition of assets	—	$1.3	$2.5	$2.5	—
Add: Loss on extinguishment of debt	$2.1	$16.6	$2.1	$2.1	—
Add: Wynnewood acquisition transaction fees and integration expenses	—	—	$5.2	$5.2	$10.3
Add: Major scheduled turnaround expenses	—	$1.2	$66.4	$66.4	$34.6
Add: Unrealized (gain) loss on derivatives, net	$37.8	($0.6)	($85.3)	($85.4)	$197.0
Adjusted EBITDA	**$147.3**	**$152.6**	**$577.3**	**$842.7**	**$988.9**

Source: CVR Refining Securities Filings

Downstream Capital Markets

Trainer refinery costs Delta Airlines its Q4 profits

Delta Air Lines reported $63 million in losses associated with Q4 operations of its Trainer, Pennsylvania refinery under the facility's first full quarter of operations. It also managed to add $0.07/gallon to Delta's jet fuel costs. The company cited superstorm Sandy, which shut down pipelines and terminals and cut Trainer's output, as the basis for the loss. On the whole, Sandy hurt Delta's quarterly profits by $100 million. Operations may have also been rocky due to the post-acquisition departure of senior fuel exec Jon Ruggles, who was deeply involved in the buy and left around two months after closure.

Trainer lost Delta $63 million in Q4; company cited superstorm Sandy.

The company still managed to eke out a $7 million net profit on the quarter. Delta expects Trainer to be "modestly" profitable this quarter and said it was now "more certain" of the prudence of the investment. It also projects lower fuel costs this quarter.

Delta bought the mothballed facility last year for $250 million, with hopes of cutting jet fuel costs by $300 million/year. Refiners' crack spread premium for jet fuel has been strong and being able to eliminate it was the specific rationale for the purchase. Delta spent $12.3 billion on jet fuel last year, its largest expense.

Sunoco Logistics raising $700 million to fund capex

Sunoco Logistics announced it would raise a total $700 million in debt capital through two public offerings comprised of a $350 million 3.45% senior note offering due 2023 and a $350 million 4.95% senior note offering due 2043 through subsidiary **Sunoco Logistics Partners Operations LP.** Net proceeds of ~$692 million will be used to repay the full balance of Partners' $350 million credit facility as well as the outstanding balance under a $200 million revolver for which **Sunoco Partners Marketing & Terminals LP** is borrower. Using Q3 reporting data including a $96 million outstanding balance for the $350 million facility and a $74 million balance on the $200 million one would leave $530 million in additional capital and represent a ~33% increase to total long-term debt (Sunoco Logistics reported $1.63 billion in Q3). After credit facility payoffs, the remainder of proceeds will support general partnership purposes including partial financing of Sunoco Logistics' $700 million 2013 capex plan.

Using Q3 data, the facilities had only $150 million in outstanding borrowings.

Lead underwriters are **JP Morgan, Citigroup, Mitsubishi UFJ, Mizuho Securities** and **RBS.** Co-managers are **Deutsche Bank, Goldman Sachs, PNC, Scotia Capital, TD Securities** and **US Bancorp.**

Calumet paying down revolver with $159 million offer

Calumet Specialty Products Partners LP priced a 5.0 million unit public offering at $31.81/unit for expected gross proceeds of $159.1 million. A 750,000-unit option could increase gross by $23.9 million. Proceeds, alongside a contribution from Calumet's GP will repay borrowings under its $850 million revolver and fund working capital, capex and acquisitions. Calumet reported only $25,000 in Q3 revolver debt, but recently funded a $115 million refinery asset acquisition from **NuStar Energy LP** with its revolver and cash on hand.

Recently funded $115 million refinery asset buy with revolver & cash.

The offering will represent an 8.7% dilution to prior equityholders assuming no exercise of the option. Units were priced 4.4% below the prior day's closing price, while the market reacted with a 6.4% unit price decline the day following the announcement. **Barclays, Goldman Sachs, Merrill Lynch, JP Morgan, Credit Suisse** and **RBC** are underwriting.

Calumet also announced a 4.8% increase to its quarterly dividend to $0.65/unit or an annualized $2.60/unit.

Who's Hot, Who's Not—As of January 28

Analysts' view on select stocks

Key: Ticker/Current Price/52-Week Low/52-Week High/Market Cap

Upgrades:

- **BG Group PLC** (BRGYY/$17.95/$15.76/$24.69/$60.96B) from Sector Perform to Outperform by RBC Capital Markets.
- **Crimson Exploration Inc.** (CXPO/$3.19/$2.45/$5.69/$141.02M) from Hold to Buy by Stifel Nicolaus.
- **Duke Energy Corp.** (DUK/$67.75/$59.63/$71.13/$47.78B) from Neutral to Buy by UBS.
- **Encana Corp.** (ECA/$19.35/$17.45/$24.29/$14.25B) from Neutral to Buy by UBS.
- **FMC Technologies Inc.** (FTI/$46.65/$36.89/$55.19/$11.12B) from Equal Weight to Overweight by Morgan Stanley.
- **Halliburton Co.** (HAL/$40.29/$26.28/$40.28/$37.49B) from Neutral to Buy by Global Hunter Securities.
- **Halliburton Co.** (HAL/$40.29/$26.28/$40.28/$37.49B) from Hold to Buy by MLV & Co.
- **Hess Corp.** (HES/$62.01/$39.67/$67.86/$20.94B) from Underperform to Neutral by Credit Suisse.
- **Oasis Petroleum Inc.** (OAS/$35.93/$22.02/$36.68/$3.36B) from Market Perform to Outperform.
- **ONEOK Inc.** (OKE/$47.39/$39.32/$49.79/$9.71B) from Hold to Buy by Argus.
- **Transocean Ltd.** (RIG/$58.32/$39.32/$59.03/$20.99B) from Neutral to Buy by Guggenheim.
- **Whiting Petroleum Corp.** (WLL/$47.96/$35.68/$63.97/$5.65B) from Neutral to Buy by Sterne Agee.

New Coverage:

- **Approach Resources, Inc.** (AREX/$25.99/$22.36/$39.18/$888.94M) at In-line by Imperial Capital.
- **Atlas Resource Partners** (ARP/$22.91/$20/$31.97/$912.37M) at Buy by MLV & Co.
- **Atwood Oceanics Inc.** (ATW/$53.43/$34.93/53.28/$3.5B) at Overweight by Barclays.
- **Concho Resources, Inc.** (CXO/$90.49/$76.17/$116.82/$9.37B) at Outperform by Imperial Capital.
- **Constellation Energy Partners LLC** (CEP/$1.22/$1.15/$3.24/$28.63M) at Hold by MLV & Co.
- **Eagle Rock Energy Partners LP** (EROC/$9.42/$8.23/$11.55/$1.39B) at Hold by MLV & Co.
- **Ecopetrol SA** (EC/$62.76/$49.86/$67.92/$128.96B) at Equal Weight by Barclays.
- **Legacy Reserves LP** (LGCY/$25.86/$22.33/$30.07/$1.25B) at Buy by Ladenburg Thalmann.
- **Linn Co. LLC** (LNCO/$39.83/$35.15/$40.40/$1.39B) at Hold by MLV & Co.
- **Linn Energy LLC** (LINE/$38.66/$34.43/$42.57/$7.75B) at Sector Outperform by Howard Weil.
- **Ocean Rig UDW Inc.** (ORIG/$16.85/$12.14/$18.43/$2.22B) at Overweight by Barclays.
- **Pacific Drilling SA** (PACD/$10.40/$7.77/$11.47/$2.26B) at Overweight by Barclays.
- **PBF Energy Inc.** (PBF/$31.66/$26/$30.28/$2.96B) at Hold by Deutsche Bank.
- **PBF Energy Inc.** (PBF/$31.66/$26/$30.28/$2.96B) at Buy by Dahlman Rose.
- **Vantage Drilling Co.** (VTG/$1.87/$1.21/$1.95/$547.08M) at Equal Weight by Barclays.
- **Whiting Petroleum Corp.** (WLL/$47.96/$35.68/$63.97/$5.65B) at Market Ouperform by Howard Weil
- **Williams Partners LP** (WPZ/$50.60/$45.01/$62.59/$17.96B) at Buy by Global Hunter Securities.

PERMIAN BASIN

PERMIAN BASIN SALE PACKAGE

62,322-Net Acres. 9-Vertical Producers.
TERRY & HOCKLEY COUNTIES, TX
HORIZONTAL WOLFCAMP
Spraberry, Wolfcamp & Cline.
Proposed Depths: 7,500 Ft. - 11,600 Ft.
MULTIPLE HORIZONTAL TARGETS
100% OPERATED WI FOR SALE
Initial Rates Range: 20-60 BOPD
Average 20 Months Remaining on Term
~86% Acreage has Extension Options
CA Required to Review Virtual Data Room
CONTACT AGENT FOR UPDATE
L 9191P

L WOLFCAMP

MIDCONTINENT

SOUTHERN KANSAS ACREAGE

48,671-Gross Acres. 45,334-Net Acres.
COMANCHE & CLARK CO.
MISSISSIPPIAN LIME PLAY
MULTIPAY OPPORTUNITY
Typical Well: 9,700' (MD) 5,400' (TVD)
3-D Seismic Data Available in Clark Co.
50% OPERATED WI; ~80% NRI (Lease)
GOOD POTENTIAL FOR LEASE TRADES
3-Year Primary Term. 1-3 Year Ext. Opt
CA Required to View Virtual Data Room
CONTACT DALLAS AGENT FOR INFO
L 1812DV

L MISS LIME PLAY

MICHIGAN RESOURCE PLAY

450,000-Net. Depth 5,000-10,000 Ft.
20 COUNTIES
Most Acreage on St of Michigan Lands.
Obj 1: Silurian A-1 Carbonate
Obj 2: Ordovician Collingwood Shale
Also Devonian Dundee, Detroit River
Significant Wet Gas Potential.
OPERATED WI; 80% NRI (Leases)
Discovery Wells In Area.
Conventional Prospects In Proven --
-- Oil Rich Carbonate Formations.
Data Package Available w/Signed CA.
CONTACT AGENT FOR UPDATE
L 1655DV

L LEASEHOLD

NORTH TEXAS SALE PACKAGE

PLS

~87-Total Leases. ~7,300-Net Acres.
MONTAGUE, JACK, WISE, GRAYSON,
-- YOUNG, CLAY & COOKE CO.
Atoka, Mississippian, Strawn, Marble Falls
-- Bend Congl., Caddo & Baker-Viola.
Avg. WI 55% & NRI 46%
Net Production: 68 BOPD & 272 MCFD
Avg Net Income: ~$180,000/Month
PLS IS BUILDING DATA ROOM
PP 1651DV

PP 113 BOED

Who's Hot, Who's Not—As of January 28

Analysts' view on select stocks

Key: Ticker/Current Price/52-Week Low/52-Week High/Market Cap

Downgrades:

- **Bill Barrett Corp.** (BBG/$16.49/$15.42/$30.76/$776.82M) from Buy to Hold by Canaccord Genuity.
- **BHP Billiton Ltd.** (BHP/$77.26/$59.87/$82.23/$205.67B) from Buy to Hold by Dahlman Rose.
- **Carrizo Oil & Gas Inc.** (CRZO/$21.10/$19.04/$31.62/$844.97M) from Sector Outperform to Sector Perform by Howard Weil.
- **Carrizo Oil & Gas Inc.** (CRZO/$21.10/$19.04/$31.62/$844.97M) from Buy to Hold by KeyBanc Capital Markets.
- **Cliffs Natural Resources Inc.** (CLF/$35.18/$28.05/$77.67/$5.01B) from Hold to Sell by Dahlman Rose.
- **Diamond Offshore** (DO/$74.78/$55.83/$74.86/$10.38B) from Outperform to Neural by Credit Suisse.
- **Dresser-Rand Group Inc.** (DRC/$59.73/$41.01/$59.69/$4.5B) from Market Outperform to Market Perform by Howard Weil.
- **Energen Corp.** (EGN/$47.42/$40.13/$58.24/$3.42B) from Focus Stock to Market Outperform by Howard Weil.
- **Energen Corp.** (EGN/$47.42/$40.13/$58.24/$3.42B) from Buy to Hold by KeyBanc Capital Markets.
- **Energy Transfer Equity LP** (ETE/$48.94/$34/$49.39/$13.7B) from Outperform to Neutral by Robert W. Baird.
- **EQT Corp.** (EQT/$60.50/$43.69/$62.74/$9.04B) from Buy to Hold by Stifel Nicolaus.
- **EXCO Resources Inc.** (XCO/$6.35/$5.65/$9.08/$1.36B) from Buy to Hold by KeyBanc Capital Markets.
- **FMC Technologies Inc.** (FTI/$46.65/$36.89/$55.19/$11.12B) from Outperform to Sector Perform by RBC Capital Markets.
- **Forum Energy Tech.** (FET/$25.27/$18.60/$26.83/$2.1B) from Market Outperform to Market Perform by Howard Weil.
- **Halliburton Co.** (HAL/$40.29/$26.28/$40.28/$37.49B) from Buy to Hold by Standpoint Research.
- **Harvest Natural Resources Inc.** (HNR/$9.60/$4.85/$10.83/$376.5M) from Buy to Hold by Wunderlich.
- **Inergy LP** (NRGY/$19.70/$15.06/$21.99/$2.47B) from Outperform to Neutral by Robert W. Baird.
- **LRR Energy LP** (LRE/$17.97/$12.25/$21.62/$398.94M) from Outperform to Neutral by Robert W. Baird.
- **National Fuel Gas Co.** (NFG/$54.15/$41.57/$55.66/$4.51B) from Market Outperform to Market Perform by Howard Weil.
- **National Oilwell Varco Inc.** (NOV/$73.50/$59.07/$89.95/$31.38B) from Outperform to Sector Perform by RBC Capital Markets.
- **Noble Corp.** (NE/$39.04/$28.73/$41.71/$9.93B) from Buy to Hold by Jefferies.
- **ONEOK Partners LP** (OKS/$58.93/$50.45/$61.58/$12.97B) from Buy to Neutral by Citigroup.
- **Phillips 66** (PSX/$57.46/$28.75/$56.95/$36B) from Market Outperform to Market Perform by Howard Weil.
- **Plains All American Pipeline LP** (PAA/$52.10/$37.59/$51.80/$17.36B) from Outperform to Neutral by Robert W. Baird.
- **Plains Exploration & Production Company** (PXP/$47.26/$30.12/$48/$6.1B) from Market Outperform to Market Perform by Howard Weil.
- **Rowan Companies Inc.** (RDC/$35.17/$28.62/$39.40/$4.36B) from Focus Stock to Market Outperform by Howard Weil.

Continues On Pg 16

Financial Takes

Our **CapitalMarkets** editors are working hard to keep their fingers on the pulse of the latest funds, pricing, news and professional opinions pertaining to the oil and gas finance sector. Whether it's through a one-on-one interview, heard-it-on-the-street feedback or energy conference coverage, each issue of the CapitalMarkets contains insights about how things are shaping up for current and future financial trends. Below is a round up of current thoughts from some of the sector's well-known analysts and portfolio managers. Read On!

Oasis Petroleum (OAS; $34.25 – Jan 10; Outperform; Range: $40-45)

Upgrading To Outperform. Pad drilling, operational efficiencies, service business, and acreage delineation among other reasons, should result in increased capital efficiency in 2013 vs. 2012. **We do not believe lower well costs or better differentials have been rolled into many sell-side models, and combined with upside potential from de-risking, numbers should move higher.** We are now forecasting a spread closer to 7%, which is down from about 10% + last year. Improving Williston Basin differentials, a longer-term takeout which puts a floor on shares, and we believe OAS will outperform peers over the next 6-12 months. Range goes to $40-45 (from $30-35). Well costs have declined to $8.5MM and are headed lower, acreage HBP'd and delineating/de-risking continues. Company should post 45% growth in 2013. With expanded Williston Basin takeaway capacity, particularly rail, differentials have begun to improve and we believe the improvement will be permanent. Vs. our $53.84 NAV, OAS is trading at a 37% discount. On a multiple basis, OAS is trading at 5.8x vs. CLR and KOG at 6.4x average.

—David Tameron, **Wells Fargo Securities**

Newfield Exploration (NFX; $27.75 – Jan 14; Overweight; PT: $34)

The transition to oil has been difficult and shares have suffered over the past several years. NFX was the second worst performing stock that we cover last year (down 28%, vs. the large cap group down 1% and the EPX down 5%) and the worst performing stock since the beginning of 2011. **Shares likely to turn a corner as we think the bad news is behind us and production and cash flow growth visibility is improving.** We expect ~20% US oil growth in both 2013 and 2014 and a recovery in International oil volumes when Pearl (China) comes on in 2014. Gas will continue to decline in importance. We expect total production to decline roughly 8% this year and increase at least 10% in 2014. Spending will be around $1.9 billion including capitalized costs, largely flat. This year's funding gap will be nearly $450 million and look for the company to sell additional assets. Debt-adjusted cash flow is 4.4x times 2014E vs. a historic average of 5.8x. Shares trade at >20% discount to group on 2014 cash flow estimates.

—Thomas Driscoll, CFA, **Barclays**

Who's Hot, Who's Not Continued From Pg 16

Analysts' view on select stocks

Key: Ticker/Current Price/52-Week Low/52-Week High/Market Cap

Downgrades:

- **Southcross Energy Partners LP.** (SXE/$24.14/$22/$25/$589.67M) from Outperform to Neutral by Robert W. Baird.
- **Sunoco Logistics Partners LP** (SXL/$58.16/$31.65/$58.23/$5.99B) from Outperform to Neutral by Robert W. Baird.
- **Targa Resources Corp.** (TRGP/$60.14/$39.89/$60.14/$2.56B) from Buy to Neutral by Bank of America.

Key: Ticker/Current Price/52-Week Low/52-Week High/Market Cap Source: **Yahoo! Finance**

People

- *Jack H. Edwards* and *H.W. Hankinson* have been hired by **Equus Energy Group** to assist in sourcing and evaluating energy-related investments.
- **Gastar Exploration** announced the departure of board chairman *Floyd Price*. *John M. Selser,* previously managing director at **IBERIA Capital Partners,** has been appointed to replace him.
- **Hein & Associates** appointed *Jim Harden* as business valuation services principal.
- **Lucas Energy** announced the resignation *Fred Hofheinz* as chairman, but he will remain on the board. *Ryan J. Morris* has been appointed to replace him.
- **ON Geophysical** announced the departure of executive chairman *Robert P. Peebler,* who will continue serve as a consultant. *James M. Lapeyre Jr.* has been appointed to replace him.
- **WPX Energy** appointed *Kelt Kindick* to its board. He serves as a senior advisor at **Bain & Company.**

MIDCONTINENT

WISE CO., TX PROPERTY

PLS

5-Active Wells. 3-AFEs.
BARNETT SHALE PLAY
NEWARK EAST FIEL
Active Area - Rigs Running
25% NonOperated WI; ~82% Lease NRI
Gross Production ~11 BOPD & 2.7 MMCFD
High Liquids Production - HIGH BTU
Current Net Cash Flow: ~$100,000/Mn
Surface Equipment Ready For New Wells
Operated By Large Public Company
CONTACT GENERATOR FOR DETAILS
PP 9635DV

PP BARNETT

OKLAHOMA SALE PACKAGE

105,675-Net Acres. (Fairly Contiguous)
HARDEMAN BASIN
HARMON & JACKSON COUNTIES
Lower Atoka Wash / Conglomerate,
-- Holmes Sand & Chappel Dolomite
Proposed Depths: ~7,000 to ~9,000 Ft.
VERTICAL & HORIZONTAL POTENTIAL
100% OPERATED WI; Avg 81.25% NRI
CONTACT AGENT FOR MORE INFO
L 9468DV

L HARDEMAN BASIN

WESTERN OKLAHOMA LEASEHOLD

~77,000-Net Acres. ~650-Sections.
ANADARKO BASIN - WOODFORD
SIGNIFICANT UPSIDE POTENTIAL
>2,500 Identified Woodford (Cana) Locations.
All Leasehold WI Rights in All Depths.
New Entrant to Play or Bolt-On --
-- Opportunity for an Established Operator.
>50% OPERATED WI FOR SALE
Horizontal Woodford Prod: ~90 MMCFED
Data Room Opens Late January
OFFERS DUE LATE FEBRUARY 2013
L 1473PP

L LEASEHOLD

EASTERN & APPALACHIA

NEW YORK ACREAGE

Leases. 133,000-Total Net Acres.
BROOME, CHANANGO & MADISON
MARCELLUS & UTICA SHALE
On Trend w/ Established Production
Upside in the Geneseo & Devonian Shales
500 Miles of Proprietary 2-D Seismic
70-Square Miles Proprietary 3-D Seismic.
100% OPERATED WI; 81.25% NRI
EXPLORATION & PIPELINE RIGHTS
150 Mile Multi-Line ROW to Connect --
-- Three Major Interstate Pipelines.
CONTACT AGENT FOR UPDATE
L 7489G

L MARCELLUS UTICA

EASTERN & APPALACHIA

WEST VIRGINIA ACREAGE

~18,170-Gross/Net Acres.
MARCELLUS SHALE
GREENBRIER, NICHOLAS, WEBSTER
LongTerm Resource Potential: Expanding
-- South Window Of Marcellus Play
Acreage Close To Major Market Pipelines.
277-Potential Locations. 80-Acre Spac.
100% OPERATED WI; >87% NRI(Lease)
Active Leasing, Well Permitting & --
-- Drilling By Others In Area.
EUR: 2.8 BCF/Per Well
NO DRILLING COMMITMENTS
LEASES COVER ALL DEPTHS
CONTACT AGENT FOR UPDATE
L 1543DV

L ACREAGE

ROCKIES

KIOWA CO., CO ACREAGE

PLS

~6,800-Acres.
MULTIPAY
Morrow, Cherokee, & Atoka Targets.
All Potential Zones Pennsylvanian Aged.
100% OPERATED WI; 80% NRI
Surrounded By Pioneer & Chesapeake.
CONTACT SELLER FOR MORE INFO
L 8019

L MULTIPAY

ROCKIES PROSPECTS

2-Packages. 93,135-(Pkg) Net Acres.
WYOMING & COLORADO
NORTH PARK BASIN (CO)
LARAMIE BASIN (WY)
Large Acreage Block (WY)
Multiple Vertical Targets.
Significant Horizontal UpSide Potential.
100% OPERATED WI; ~84% NRI(Lease)
Lease Expirations: 2012-2021
Leases Cover All Depths.
CONTACT AGENT FOR UPDATE
DV 2100PKG

DV LARGE BLOCK

NORTH DAKOTA NONOPERATED

58-Active Wells. 13,900-Net Acres.
HORIZ BAKKEN & THREE FORKS
DUNN, MCKENZIE, MOUNTRAIL --
-- & WILLIAMS CO., ND
346 Proved Undeveloped Locations
VARIOUS NONOPERATED WI FOR SALE
Net Volumes:1,000 BOPD & 60 MCFD
Net Proved Reserves: 25 MMBO & 10 BCF
Total Proved Rsrvs (PV12): $335,000,000
PHDWin Engineering Available.
CONTACT AGENT FOR MORE INFO
PP 1222DV

PP 1,010 BOED

ROCKIES

CONVERSE CO., WY PROJECT

~47,000-Net Acres. ~1,000-Locations
PROLIFIC POWDER RIVER BASIN
Proven Stacked Oil & Gas Formations
Sussex, Shannon, Niobrara, -
---- Frontier & Muddy.
Upside Potential in the Mowry & Dakota
ACTIVE HORIZONTAL DEVELOPMENT
OPERATED & NonOperated WI Available
Est Dec 2012 Net Prod: ~530 BOED
CA Required to View Data Room
OFFERS DUE MID FEBRUARY 2013
CONTACT AGENT FOR UPDATE
DV 1073PP

DV POWDER RIVER

WEST COAST

KERN CO., CA PROPERTY

42-Active. 5-SWD.
NORTH BELRIDGE FIELD
DIATOMITE & TULARE
Significant Low-Risk Undeveloped Oil
EXCELLENT OPPORTUNITY
100% OPERATED WI AVAILABLE
Current Production: 150 BOED (95% Oil)
Since Mid 2010: 140 BOPD & 100 MCFD
3rd Party Reserve Report Data Available
Net(Proved)Rsrvs: 2,663 MBO & 683 MCF
Net (Proved) PV10: $92,500,000
Est Net (3P) Reserves: 4,302 MBOE
Est (3P) Reserves PV10: $92,000,000
CA Required to View Private Data Room
CONTACT AGENT FOR UPDATE
PP 9365WF

PP 150 BOED

PROJECT FOR SALE

NORTH TEXAS SALE PACKAGE

~87-Total Leases. ~7,300-Net Acres.
MONTAGUE, JACK, WISE, GRAYSON,
-- YOUNG, CLAY & COOKE CO.
Atoka, Mississippian, Strawn, Marble Falls
-- Bend Congl., Caddo & Baker-Viola.
Avg. WI 55% & NRI 46%
Net Production: 68 BOPD & 272 MCFD
Avg Net Income: ~$180,000/Month
PLS IS BUILDING DATA ROOM
PP 1651DV

PP

For more details on this package, please e-mail Brian Green at **bgreen@plsx.com**

This package's virtual data room can be access for additional info at **www.plsx.com**

$4.0 billion in assets sold since 1988.
Hire PLS to execute your next negotiated sale, **713-650-1212.**