



TAPSTONE ENERGY

Tapstone Energy Reports Third Quarter 2019 Financial and Operational Results

Oklahoma City, November 14, 2019 – Tapstone Energy, LLC (“Tapstone” or the “Company”) today announced financial and operational results for the quarter ended September 30, 2019. Financial and operational highlights of note for the quarter include the following:

- Net loss of \$290.9 million and adjusted EBITDA of \$30.0 million for the third quarter of 2019
- Total Company production of 25.1 MBoe per day in the third quarter, decreased 20% quarter-over-quarter and 18% year-over-year; Total Company production mix was 17% oil, 43% liquids
- NW Stack production of 17.1 MBoe per day in the third quarter, decreased 20% quarter-over-quarter and 12% year-over-year; NW Stack production mix was 20% oil, 40% liquids
- Divested of non-core assets for a gross sales price of \$26.6 million
- Signed Forbearance Agreement with credit facility lenders

Third Quarter 2019 Financial Results

Tapstone reported a net loss of \$290.9 million for the third quarter of 2019, which included a non-cash ceiling test impairment of oil and natural gas properties of \$246.2 million, impairment of other assets of \$42.5 million and \$11.6 million of unrealized, non-cash, mark-to-market gains on derivative contracts in future periods. Adjusted earnings before interest, income taxes, depreciation, depletion and amortization (“Adjusted EBITDA”) for the third quarter of 2019 was \$30.0 million. Adjusted EBITDA is a Non-GAAP financial measure and is described in the attached table under “Non-GAAP Financial Information and Reconciliation.” See Third Quarter 2019 Financial Report for a full explanation of Adjusted EBITDA.

Non-Core Divestitures

Since the end of the third quarter, Tapstone closed on the divestiture of the company’s Mocane-Laverne Legacy producing properties located in Beaver, Harper and Ellis Counties, Oklahoma on October 11, 2019. The effective date of the transaction was September 1, 2019. The Company also closed on the sale of its Waller saltwater disposal system on October 1, 2019. This transaction accelerated the value of the saltwater disposal network while locking in attractive water hauling rates for our core operating area. The total combined gross sales price for both divestitures was \$26.6 million.

Note on Presentation of Reported Results

Reported third quarter 2019 results and the comparable 2018 periods include production, revenue and direct operating expenses for the Company’s Mocane-Laverne asset through September 30, 2019, the Company’s Kansas asset through June 28, 2019 and the Company’s Verden asset through April 30, 2018.

Please refer to the supplemental table provided at the end of this release, which illustrates the pro forma impact of results from the first quarter of 2018 through the third quarter of 2019, adjusted for the Company’s Verden, Kansas and Mocane-Laverne divestitures.

Operational Highlights

For the third quarter, the Company had six operated wells that obtained first production, while operating one rig. Five of the operated wells were located in the NW Stack and one within the Company's Legacy Producing Properties. Tapstone's production volumes in the third quarter of 2019 averaged 25.1 thousand barrels of oil equivalent ("MBoe") per day, compared to 31.2 MBoe per day in the second quarter of 2019 and 30.5 MBoe per day for the third quarter of 2018. For the third quarter of 2019, the Company's total production mix was 17% oil, 57% natural gas and 26% natural gas liquids ("NGLs").

Oil, natural gas and NGLs revenues, excluding settlements of derivative contracts, for the third quarter of 2019 totaled \$32.2 million. Realized prices in the third quarter of 2019 were \$53.93 per barrel ("Bbl") for oil, \$0.45 per thousand cubic feet ("Mcf") for natural gas and \$12.26 per Bbl for NGLs excluding the impact of derivative contracts.

The Company reported a net gain on derivative contracts of \$22.2 million during the third quarter, which consisted of a \$10.6 million realized gain and a \$11.6 million unrealized, non-cash, mark-to-market gain.

Production expense, which includes lease operating expense and workover expenses, was \$9.2 million in the third quarter of 2019, or \$4.00 per barrels of oil equivalent ("Boe"). Third quarter production expense included \$3.97 per Boe of lifting costs and \$0.03 per Boe of workover expenses.

General and Administrative expense in the third quarter of 2019 was \$9.9 million which includes \$7.9 million of non-cash equity compensation and non-recurring expenses. Excluding these costs results in a general and administrative expense of \$1.9 million, or \$0.84 per Boe for the third quarter.

Tapstone's Wheeler Midstream system in the Texas Panhandle collects revenues from third parties for their share of volumes that flow through the system, which represent 19% of the gross system throughput. Revenue generated by these third-party volumes, classified as transportation revenue, was \$0.8 million for the third quarter of 2019. Transportation cost of service, which represents the total cost incurred to operate the midstream system, was \$1.3 million.

NW Stack

During the third quarter, five operated wells obtained first production in the NW Stack, of which three were in the Upper Meramec formation and two were in the Osage formation. All five of the wells were extended lateral infill wells drilled to complete full development in multiple sections. The third quarter five-well set had an average initial production rate of approximately 512 Boe per day on a two-stream basis at 38% oil.

NW Stack production in the third quarter of 2019 averaged 17.1 MBoe per day, compared to 21.4 MBoe per day in the previous quarter. The third quarter production mix was 20% oil, 60% natural gas and 20% NGLs.

NW Stack production expense, which includes lease operating expense and workover expenses, was \$5.7 million in the third quarter of 2019, or \$3.62 per Boe. Third quarter production expense included \$3.58 per Boe of lifting costs and \$0.04 per Boe of workover expenses.

Legacy Producing Properties

The Company's Legacy properties in the Anadarko Basin are in the following areas: the Stiles Ranch Field located in Wheeler County, Texas; and the Mocane-Laverne Field in Beaver, Harper and Ellis Counties, Oklahoma.

Including the divested Mocane-Laverne assets, the Company's Legacy properties produced 8.0 MBoe per day during the third quarter of 2019 compared to 9.8 MBoe per day in the previous quarter. The production mix for the third quarter of 2019 was 12% oil, 50% natural gas and 38% NGLs. The Company completed one well in the Stiles Ranch Field during the third quarter 2019.

Legacy property production expense before taxes was \$4.79 per Boe in the third quarter of 2019. The Legacy properties' production expense receives the benefit of lower fees than otherwise incurred associated with Tapstone's throughput volumes on Tapstone's wholly owned Wheeler Midstream system in Stiles Ranch.

Quarterly Production

	Three Months Ended				12 Months Ended	Three Months Ended		
	March 31 2018	June 30 2018	September 30 2018	December 31 2018	December 31 2018	March 31 2019	June 30 2019	September 30 2019
NW Stack								
Oil (MBbls/d)	3.8	3.9	4.1	4.6	4.1	5.5	4.6	3.4
Gas (MMcf/d)	53.6	60.4	65.9	75.4	63.9	76.5	69.5	61.8
NGLs (MBbls/d)	3.7	3.9	4.2	4.5	4.1	4.4	5.2	3.4
Total (MBoe/d)⁽¹⁾	16.5	17.8	19.3	21.6	18.8	22.6	21.4	17.1
Legacy Properties								
Oil (MBbls/d)	1.6	1.7	1.5	1.3	1.5	1.2	1.2	0.9
Gas (MMcf/d)	48.2	40.6	34.9	33.1	39.1	31.1	30.8	24.3
NGLs (MBbls/d)	3.7	3.8	3.9	3.6	3.7	3.5	3.5	3.0
Total (MBoe/d)⁽¹⁾	13.4	12.3	11.2	10.4	11.8	9.9	9.8	8.0
Total Company								
Oil (MBbls/d)	5.5	5.5	5.6	5.9	5.6	6.6	5.8	4.3
Gas (MMcf/d)	101.8	101.0	100.8	108.5	103.0	107.6	100.3	86.1
NGLs (MBbls/d)	7.4	7.7	8.1	8.1	7.8	7.9	8.7	6.4
Total (MBoe/d)⁽¹⁾	29.9	30.1	30.5	32.0	30.6	32.5	31.2	25.1

(1) May not sum or recalculate due to rounding

Third Quarter 2019 Capital Expenditures

Capital expenditures ("capex"), excluding acquisition costs, for the third quarter of 2019 totaled \$20.7 million, which included \$20.4 million for development drilling and completion capex and \$0.3 million related to other capital costs.

Liquidity

During the recent fall redetermination, the Company's borrowing base of its revolving credit facility, was reduced to \$235 million. As of the date of the redetermination, the Company had \$314 million in outstanding borrowings on the credit facility. As part of the restructuring process, the company signed a Forbearance Agreement on October 31, 2019 with the credit facility lenders. Currently, the Company has \$296 million in outstanding borrowings on the credit facility and \$17 million of cash. See Third Quarter 2019 Financial Report for more details in the section titled "Liquidity and Going Concern".

Financial Derivative Positions as of November 8, 2019

	<u>Q4-2019</u>	<u>FY-2020</u>	<u>FY-2021</u>
Oil Swaps			
Hedge Volumes (Bbls/d)	4,645	3,299	496
Weighted Average Price (\$/Bbl)	\$55.82	\$58.15	\$57.05
Gas Swaps			
Hedge Volumes (MMBtu/d)	59,500	51,486	4,932
Weighted Average Price (\$/MMBtu)	\$2.89	\$2.75	\$2.89
NGL Swaps			
Hedge Volumes (Bbls/d)	5,705	4,300	-
Weighted Average Price (\$/Bbl)	\$33.41	\$33.88	-
Natural Gas Basis Swaps (Panhandle)			
Hedge Volumes (MMBtu/d)	45,000	10,000	-
Weighted Average Price (\$/MMBtu)	(\$0.61)	(\$0.45)	-

Conference Call Information

Tapstone management will host a conference call to discuss its 2019 third quarter operational and financial results on Tuesday, November 26, at 9:00 AM Central Time.

Dial Information:

Participant Dial-In (Toll Free): 1-877-842-4284

Participant Dial-In (International): 1-412-317-5468

*Please ask to be joined into the "Tapstone Energy call."

Conference Call Replay:

A replay will be available for 30 days, beginning one hour after the end of the live conference call, until Thursday, December 26, 2019. Dial information for the conference call replay is listed below:

US Toll Free: 1-877-344-7529

International Toll: 1-412-317-0088

Canada Toll Free: 1-855-669-9658

Replay Access Code: 10136787

Contact Information

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Tapstone Energy, LLC Condensed Consolidated Balance Sheets (Unaudited) (In thousands)

	September 30, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 11,523	\$ 2,544
Accounts receivable, net of allowance	5,508	6,507
Production receivable	10,260	25,764
Derivative contracts	35,593	35,605
Prepaid expenses	2,474	2,397
Total current assets	65,358	72,817
Oil and natural gas properties, using the full cost method:		
Proved oil and natural gas properties	1,765,614	1,593,928
Unproved oil and natural gas properties	503	82,145
Less: accumulated depreciation, depletion, amortization and impairment	(1,395,730)	(821,653)
Oil and natural gas properties, net	370,387	854,420
Other property, plant and equipment	136,988	136,409
Less: accumulated depreciation and impairment	(79,805)	(31,785)
Other property, plant and equipment, net	57,183	104,624
Derivative contracts	9,360	18,752
Credit facility issuance costs, net	3,603	4,854
Operating lease right of use asset	3,362	-
Total Assets	\$ 509,253	\$ 1,055,467
LIABILITIES AND MEMBERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	\$ 10,972	\$ 46,064
Production payable	7,799	13,615
Accrued liabilities	16,613	29,596
Derivative contracts	29	-
Accrued interest payable	10,841	3,274
Deposit on pending sale	250	-
Long-term debt, net classified as current	314,000	-
Other current liabilities	1,720	1,380
Total current liabilities	362,224	93,929
Long-term debt, net	288,296	536,827
Asset retirement obligations	5,908	6,915
Lease liabilities	2,652	-
Other long-term liabilities	675	687
Total liabilities	659,755	638,358
Members' equity (deficit)	(150,502)	417,109
Total liabilities and member's equity (deficit)	\$ 509,253	\$ 1,055,467

Tapstone Energy, LLC Condensed Consolidated Statement of Operations (Unaudited) (In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Revenues				
Oil sales	\$ 21,441	\$ 34,582	\$ 83,219	\$ 97,348
Natural gas sales	3,597	13,266	28,338	40,515
NGL sales	7,194	21,607	31,724	53,689
Transportation revenue	762	744	2,202	2,247
Total revenues	32,994	70,199	145,483	193,799
Expenses				
Production expense	9,209	11,414	35,351	33,330
Production taxes	1,379	3,100	6,803	6,841
Transportation cost of service	1,308	1,364	4,328	4,319
Depreciation & depletion oil and natural gas	22,019	23,311	80,838	66,785
Depreciation & amortization – other	2,059	2,046	6,144	6,172
Accretion of asset retirement obligation	100	121	347	383
Impairment of oil and natural gas properties	246,231	-	493,470	-
Impairment of other assets	42,482	-	42,482	-
General and administrative	9,879	3,857	19,597	12,140
Loss on disposition of assets, net	81	(21)	171	404
Total Expenses	334,747	45,192	689,531	130,374
Income (loss) from operations	(301,753)	25,007	(544,048)	63,425
Other income (expense)				
Interest expense	(11,534)	(10,003)	(33,983)	(28,386)
Gain (loss) on derivative contracts, net	22,215	(34,177)	8,659	(77,486)
Gain on debt extinguishment	-	-	-	611
Other income, net	178	199	384	239
Total other income (expense), net	10,859	(43,981)	(24,940)	(105,022)
Net loss	\$ (290,894)	\$ (18,974)	\$ (568,988)	\$ (41,597)

Tapstone Energy, LLC Condensed Consolidated Statement of Cash Flows (Unaudited) (In thousands)

	Nine Months Ended September 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (568,988)	\$ (41,597)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	86,982	72,957
Accretion of asset retirement obligations	347	383
Impairment of oil and natural gas properties	493,470	-
Impairment of other assets	42,482	-
Loss on disposition of assets, net	171	404
Gain on debt extinguishment	-	(611)
Debt issuance costs and senior discount amortization	2,720	2,532
Equity compensation, net of amount capitalized	1,290	1,322
Loss (gain) on derivative contracts, net	(8,659)	77,486
Settlements on derivative contracts, net	18,094	(24,071)
Changes in operating assets and liabilities		
Increasing (decreasing) cash:		
Receivables	16,503	(973)
Other current assets	(78)	(758)
Other assets and liabilities, net	2,126	16,685
Accounts payable and accrued expenses	(11,328)	(5,349)
Net cash provided by operating activities	<u>75,132</u>	<u>98,410</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures – other property, plant and equipment	(707)	(1,788)
Capital expenditures – oil and natural gas properties	(157,365)	(190,181)
Acquisition of oil and gas properties	955	(66,329)
Deposit on pending sale	250	-
Proceeds from sale of assets	26,771	61,041
Net cash used in investing activities	<u>(130,096)</u>	<u>(197,257)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Credit facility borrowings	98,000	188,000
Credit facility payments	(34,000)	(132,000)
Principle payments on finance leases	(57)	-
Purchase of senior notes	-	(4,721)
Debt issuance costs paid	-	(2,043)
Capital contributions	-	50,393
Net cash provided by financing activities	<u>63,943</u>	<u>99,629</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>8,979</u>	<u>782</u>
CASH AND CASH EQUIVALENTS, beginning of period	<u>2,544</u>	<u>2,180</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 11,523</u>	<u>\$ 2,962</u>

Non-GAAP Financial Information and Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net loss	\$ (290,894)	\$ (18,974)	\$ (568,988)	\$ (41,597)
Adjusted for				
Interest expense	11,534	10,003	33,983	28,386
Depreciation and depletion – oil and natural gas	22,019	23,311	80,838	66,785
Depreciation and amortization – other	2,059	2,046	6,144	6,172
Accretion of asset retirement obligation	100	121	347	383
Impairment of oil and natural gas properties	246,231	-	493,470	-
Impairment of other assets	42,482	-	42,482	-
Severance cost	-	-	1,149	-
MTM (gain) loss on derivative contracts	(11,580)	21,841	9,435	53,415
Loss on disposition of assets, net	81	(21)	171	404
Gain on extinguishment of debt	-	-	-	(611)
Public offering organizational costs	-	83	-	156
Equity compensation expense	410	425	1,290	1,322
Restructuring costs	7,424	-	7,424	-
A&D costs	109	149	210	241
Adjusted EBITDA	\$ 29,975	\$ 38,984	\$ 107,955	\$ 115,056
Settlements on derivative contracts, net	(10,635)	12,336	(18,094)	24,070
Unhedged Adjusted EBITDA	\$ 19,340	\$ 51,320	\$ 89,861	\$ 139,126

	<u>September 30, 2019</u>
Total debt, net	\$ 602,296
Adjusted for	
Add: Unamortized debt issuance and discount costs	6,204
Less: Cash and cash equivalents	(11,523)
Total net debt	<u>\$ 596,977</u>

Pro Forma amounts, ddjusted for Verden, Kansas, and Mocane divestitures and 606 compliance

	1Q18			2Q18			3Q18			4Q18			1Q19			2Q19			3Q19		
	NW Stack	Legacy	Total Company	NW Stack	Legacy	Total Company	NW Stack	Legacy	Total Company	NW Stack	Legacy	Total Company	NW Stack	Legacy	Total Company	NW Stack	Legacy	Total Company	NW Stack	Legacy	Total Company
Production																					
Oil (Mbbbl)	344	77	421	351	75	426	379	69	448	420	66	486	492	60	552	420	64	484	312	78	390
Gas (\$/Mcf)	4,820	2,014	6,834	5,499	2,033	7,532	6,058	1,914	7,973	6,935	1,930	8,865	6,887	1,796	8,683	6,322	1,812	8,134	5,685	1,852	7,537
NGLs (MMbbls)	334	240	575	351	251	602	388	265	652	414	244	657	397	221	618	477	235	711	310	246	556
Total (Mboe)	1,482	653	2,135	1,618	665	2,283	1,776	653	2,429	1,990	621	2,621	2,037	581	2,618	1,950	601	2,551	1,570	633	2,202
Revenue Deductions																					
Oil (\$/Bbl)	(766)	(156)	(921)	(806)	(214)	(1,020)	(885)	(183)	(1,068)	(1,015)	(185)	(1,201)	(1,191)	(168)	(1,359)	(1,034)	(196)	(1,230)	(820)	(198)	(1,018)
Gas (\$/Mcf)	(4,353)	(1,139)	(5,493)	(5,016)	(1,188)	(6,204)	(5,435)	(1,148)	(6,583)	(6,482)	(1,120)	(7,603)	(6,860)	(1,168)	(8,028)	(6,339)	(1,087)	(7,426)	(5,847)	(1,126)	(6,972)
NGLs (\$/Bbl)	(1,066)	(296)	(1,362)	(1,200)	(280)	(1,480)	(1,270)	(266)	(1,536)	(1,311)	(258)	(1,569)	(1,380)	(274)	(1,654)	(1,423)	(256)	(1,679)	(1,221)	(270)	(1,491)
Total Revenue Deductions	(6,185)	(1,591)	(7,776)	(7,022)	(1,682)	(8,704)	(7,589)	(1,597)	(9,187)	(8,809)	(1,564)	(10,373)	(9,431)	(1,610)	(11,041)	(8,796)	(1,539)	(10,335)	(7,887)	(1,594)	(9,481)
Production																					
Oil (Bbl/d)	3,826	854	4,680	3,856	829	4,685	4,118	755	4,872	4,566	719	5,285	5,467	672	6,139	4,617	703	5,320	3,390	853	4,243
Gas (Mcf/d)	53,557	22,376	75,932	60,432	22,337	82,769	65,851	20,808	86,660	75,381	20,979	96,360	76,522	19,961	96,483	69,471	19,916	89,387	61,796	20,126	81,922
NGLs (Bbls/d)	3,714	2,672	6,386	3,853	2,760	6,613	4,215	2,876	7,091	4,498	2,647	7,145	4,411	2,458	6,869	5,237	2,581	7,818	3,369	2,674	6,043
Total (Boe/d)	16,467	7,253	23,722	17,781	7,311	25,092	19,307	7,099	26,407	21,627	6,863	28,490	22,631	6,457	29,088	21,433	6,603	28,036	17,069	6,881	23,950
Index Price																					
WTI (\$/Bbl)	\$ 62.87	\$ 62.87	\$ 62.87	\$ 67.88	\$ 67.88	\$ 67.88	\$ 69.50	\$ 69.50	\$ 69.50	\$ 58.81	\$ 58.81	\$ 58.81	\$ 54.90	\$ 54.90	\$ 54.90	\$ 59.82	\$ 59.82	\$ 59.82	\$ 56.45	\$ 56.45	\$ 56.45
Henry Hub (\$/Mcf)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.90	\$ 2.90	\$ 2.90	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.15	\$ 3.15	\$ 3.15	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.23	\$ 2.23	\$ 2.23
NGL area (\$/bbl)	\$ 28.27	\$ 21.11	\$ 25.28	\$ 30.78	\$ 23.58	\$ 27.74	\$ 35.37	\$ 29.47	\$ 32.94	\$ 27.65	\$ 21.70	\$ 25.36	\$ 25.26	\$ 17.69	\$ 22.45	\$ 19.13	\$ 13.79	\$ 17.35	\$ 19.24	\$ 11.22	\$ 15.69
Realized Unhedged Price																					
Oil (\$/Bbl)	\$ 60.62	\$ 59.48	\$ 60.41	\$ 66.06	\$ 64.38	\$ 65.76	\$ 67.74	\$ 66.28	\$ 67.51	\$ 56.98	\$ 55.72	\$ 56.81	\$ 52.68	\$ 51.16	\$ 52.51	\$ 58.16	\$ 57.00	\$ 58.01	\$ 53.90	\$ 54.09	\$ 53.94
Gas (\$/Mcf)	\$ 1.57	\$ 1.75	\$ 1.62	\$ 1.19	\$ 1.33	\$ 1.23	\$ 1.36	\$ 1.49	\$ 1.39	\$ 2.17	\$ 2.09	\$ 2.16	\$ 1.64	\$ 1.76	\$ 1.67	\$ 0.78	\$ 1.02	\$ 0.83	\$ 0.34	\$ 0.77	\$ 0.44
NGLs (\$/Bbl)	\$ 23.76	\$ 19.77	\$ 22.09	\$ 26.81	\$ 20.75	\$ 24.28	\$ 31.41	\$ 25.76	\$ 29.12	\$ 23.49	\$ 17.00	\$ 21.08	\$ 20.76	\$ 15.84	\$ 19.00	\$ 15.43	\$ 11.71	\$ 14.20	\$ 13.93	\$ 10.17	\$ 12.27
Trans & Gathering Diff																					
Oil (\$/Bbl)	(\$2.22)	(\$2.02)	(\$2.19)	(\$2.30)	(\$2.84)	(\$2.39)	(\$2.34)	(\$2.64)	(\$2.38)	(\$2.42)	(\$2.80)	(\$2.47)	(\$2.42)	(\$2.77)	(\$2.46)	(\$2.46)	(\$3.06)	(\$2.54)	(\$2.63)	(\$2.53)	(\$2.61)
Gas (\$/Mcf)	(\$0.90)	(\$0.57)	(\$0.80)	(\$0.91)	(\$0.58)	(\$0.82)	(\$0.90)	(\$0.60)	(\$0.83)	(\$0.93)	(\$0.58)	(\$0.86)	(\$1.00)	(\$0.65)	(\$0.92)	(\$1.00)	(\$0.60)	(\$0.91)	(\$1.03)	(\$0.61)	(\$0.93)
NGLs (\$/Bbl)	(\$3.19)	(\$1.23)	(\$2.37)	(\$3.42)	(\$1.12)	(\$2.46)	(\$3.27)	(\$1.01)	(\$2.35)	(\$3.17)	(\$1.06)	(\$2.39)	(\$3.48)	(\$1.24)	(\$2.68)	(\$2.99)	(\$1.09)	(\$2.36)	(\$3.94)	(\$1.10)	(\$2.68)
Revenues (\$K)																					
Unhedged Oil	\$ 20,877	\$ 4,570	\$ 25,447	\$ 23,181	\$ 4,854	\$ 28,035	\$ 25,661	\$ 4,603	\$ 30,263	\$ 23,933	\$ 3,688	\$ 27,621	\$ 25,919	\$ 3,094	\$ 29,013	\$ 24,435	\$ 3,647	\$ 28,082	\$ 16,811	\$ 4,245	\$ 21,056
Unhedged Gas	7,556	3,533	11,090	6,526	2,710	9,236	8,261	2,846	11,107	15,068	4,043	19,111	11,324	3,170	14,494	4,915	1,841	6,757	1,918	1,417	3,335
Unhedged NGLs	7,941	4,754	12,695	9,399	5,210	14,609	12,179	6,816	18,995	9,718	4,140	13,858	8,240	3,503	11,743	7,354	2,749	10,104	4,319	2,502	6,821
Transportation Revenue	-	755	755	-	748	748	-	744	744	-	706	706	-	690	690	-	750	750	-	762	762
Realized Hedge Gain (Loss)	-	-	(3,656)	-	-	(8,078)	-	-	(12,336)	-	-	(7,007)	-	-	(2,870)	-	-	(4,589)	-	-	(10,635)
Total Revenues	\$ 36,375	\$ 13,611	\$ 46,330	\$ 39,107	\$ 13,522	\$ 44,551	\$ 46,101	\$ 15,009	\$ 48,774	\$ 48,719	\$ 12,576	\$ 54,289	\$ 45,483	\$ 10,456	\$ 58,809	\$ 36,705	\$ 8,988	\$ 50,281	\$ 23,048	\$ 8,926	\$ 42,608
Direct Expenses (\$K)																					
Lifting Cost	\$ 3,675	\$ 2,817	\$ 6,492	\$ 4,157	\$ 2,606	\$ 6,763	\$ 5,003	\$ 2,728	\$ 7,731	\$ 6,377	\$ 2,728	\$ 9,105	\$ 6,865	\$ 2,946	\$ 9,811	\$ 7,174	\$ 2,616	\$ 9,790	\$ 5,621	\$ 2,567	\$ 8,188
Workover Expense	9	-	9	14	55	69	2	322	324	204	(53)	151	312	134	446	34	(2)	32	68	(10)	58
Production Expense	3,684	2,817	6,501	4,172	2,661	6,833	5,005	3,050	8,055	6,581	2,675	9,256	7,177	3,081	10,258	7,208	2,614	9,822	5,689	2,557	8,246
Production Taxes	836	368	1,204	940	378	1,318	2,241	363	2,604	2,445	324	2,770	2,258	311	2,569	1,980	260	2,240	1,075	218	1,292
Transportation Cost of Service	-	1,668	1,668	-	1,287	1,287	-	1,364	1,364	-	1,433	1,433	-	1,632	1,632	-	1,388	1,388	-	1,308	1,308
Adjusted General & Administrative	-	-	3,929	-	-	3,293	-	-	3,199	-	-	3,728	-	-	4,595	-	-	2,994	-	-	1,936
Total Expenses	\$ 4,520	\$ 4,853	\$ 13,302	\$ 5,112	\$ 4,326	\$ 12,730	\$ 7,246	\$ 4,777	\$ 15,222	\$ 9,026	\$ 4,432	\$ 17,186	\$ 9,435	\$ 5,023	\$ 19,053	\$ 9,188	\$ 4,262	\$ 16,444	\$ 6,764	\$ 4,082	\$ 12,782
Other Income (Expense) (\$K)																					
Other income (expense), net	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ 39	\$ -	\$ -	\$ 199	\$ -	\$ -	\$ (39)	\$ -	\$ -	\$ 37	\$ -	\$ -	\$ 168	\$ -	\$ -	\$ 178
Adjusted EBITDA	\$ 33,030			\$ 31,860			\$ 33,751			\$ 37,063			\$ 39,793			\$ 34,006			\$ 30,005		
Unit Revenues & Expenses (\$/Boe)																					
Revenue																					
Unhedged Production	\$ 24.54	\$ 19.69	\$ 23.06	\$ 24.17	\$ 19.20	\$ 22.72	\$ 25.95	\$ 21.84	\$ 24.85	\$ 24.49	\$ 18.80	\$ 23.12	\$ 22.33	\$ 16.81	\$ 21.10	\$ 18.82	\$ 13.71	\$ 17.62	\$ 14.68	\$ 12.90	\$ 14.17
Transportation	-	1.16	0.35	-	1.12	0.33	-	1.14	0.31	-	1.12	0.27	-	1.19	0.26	-	1.25	0.29	-	1.20	0.35
Hedge Gain (Loss)	-	-	(1.71)	-	-	(3.54)	-	-	(5.08)	-	-	(2.67)	-	-	(1.10)	-	-	(1.80)	-	-	(4.83)
Total Revenue	\$ 24.54	\$ 20.85	\$ 21.70	\$ 24.17	\$ 20.32	\$ 19.51	\$ 25.95	\$ 22.98	\$ 20.08	\$ 24.49	\$ 19.92	\$ 20.71	\$ 22.33	\$ 17.99	\$ 22.46	\$ 18.82	\$ 14.96	\$ 19.71	\$ 14.68	\$ 14.10	\$ 19.35
Direct Expenses																					
Lifting Cost	\$ 2.48	\$ 4.31	\$ 3.04	\$ 2.57	\$ 3.92	\$ 2.96	\$ 2.82	\$ 4.18	\$ 3.18	\$ 3.20	\$ 4.32	\$ 3.47	\$ 3.37	\$ 5.07	\$ 3.75	\$ 3.68	\$ 4.35	\$ 3.84	\$ 3.58	\$ 4.05	\$ 3.72
Workover Expense	0.01	-	0.00	0.01	0.08	0.03	0.00	0.49	0.13	0.10	(0.08)	0.06	0.15	0.23	0.17	0.02	(0.00)	0.01	0.04	(0.02)	0.03
Production Expense	2.49	4.31	3.04	2.58	4.00	2.99	2.82	4.67	3.32	3.31	4.24	3.53	3.52	5.30	3.92	3.70	4.35	3.85	3.62	4.04	3.74
Production Taxes	0.56	0.56	0.56	0.58	0.57	0.58	1.26	0.56	1.07	1.23	0.51	1.06	1.11	0.53	0.98	1.02	0.43	0.88	0.68	0.34	0.59
Transportation Cost of Service	-	2.55	0.78	-	1.93	0.56	-	2.09	0.56	-	2.27	0.55	-	2.81	0.62	-	2.31	0.54	-	2.07	0.59
Adjusted General & Administrative	-	-	1.84	-	-	1.44	-	-	1.32	-	-	1.42	-	-	1.76	-	-	1.17	-	-	0.88
Total Expenses	\$ 3.05	\$ 7.43	\$ 6.23	\$ 3.16	\$ 6.50	\$ 5.58	\$ 4.08	\$ 7.31	\$ 6.27	\$ 4.54	\$ 7.02	\$ 6.56	\$ 4.63	\$ 8.64	\$ 7.28	\$ 4.71	\$ 7.09	\$ 6.45	\$ 4.31	\$ 6.45	\$ 5.80
Other Income (Expense) (\$M)																					
Other income (expense), net	\$ -	\$ -	\$ 0.00	\$ -	\$ -	\$ 0.02	\$ -	\$ -	\$ 0.08	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.07	\$ -	\$ -	\$ 0.08
Cash Margin	\$ 21.49	\$ 13.41	\$ 15.47	\$ 21.01	\$ 13.82	\$ 13.95	\$ 21.87	\$ 15.67	\$ 13.89	\$ 19.95	\$ 12.90	\$ 14.14	\$ 17.70	\$ 9.35	\$ 15.20	\$ 14.11	\$ 7.86	\$ 13.33	\$ 10.37	\$ 7.65	\$ 13.62