ENVERUS

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Select Stories in This Issue:

Section Index	PG.
Upstream	3
Earnings & Capex	7
Midstream & Downstream	12
Oilfield Services	15
Power & Renewables	18
International	19

Recurring Tables & Graphs	PG.
Upstream Top 40	4
Upstream Stock Movers	7
Upstream Earnings	8
Midstream & Downstream Top 40	13
Oilfield Services Top 40	16

Grey Rock combines with SPAC for upstream non-op opportunities

Dallas-based oil and gas investor Grey Rock Investment Partners will combine with NYSE-listed SPAC Executive Network Partnering Corp. in a $1.32 billion transaction. The resulting company, Granite Ridge Resources Inc., will focus on scaled, non-operated oil and gas E&P activity. It is expected to pay out an initial 3.5-4.6% regular dividend yield, generate more than $240 million in free cash flow and produce an estimated 20,500 boe/d in 2022. The pair also estimates $432 million of EBITDA based on Nymex strip as of May 11.

No debt and around $414MM to be used for growth capital and acquisitions upon combination.

Grey Rock and ENPC, which went public in September 2020, signed a definitive agreement for the combination May 16. Grey Rock will contribute oil and gas assets held in its Fund I, Fund II and Fund III portfolios to Granite Ridge in exchange for equity and will roll all of its equity into the pro forma company.

The assets include a diversified portfolio of producing properties and top-tier acreage in the Delaware, DJ, Midland and Williston basins, as well as East Texas and the Gulf Coast. *Read more...*

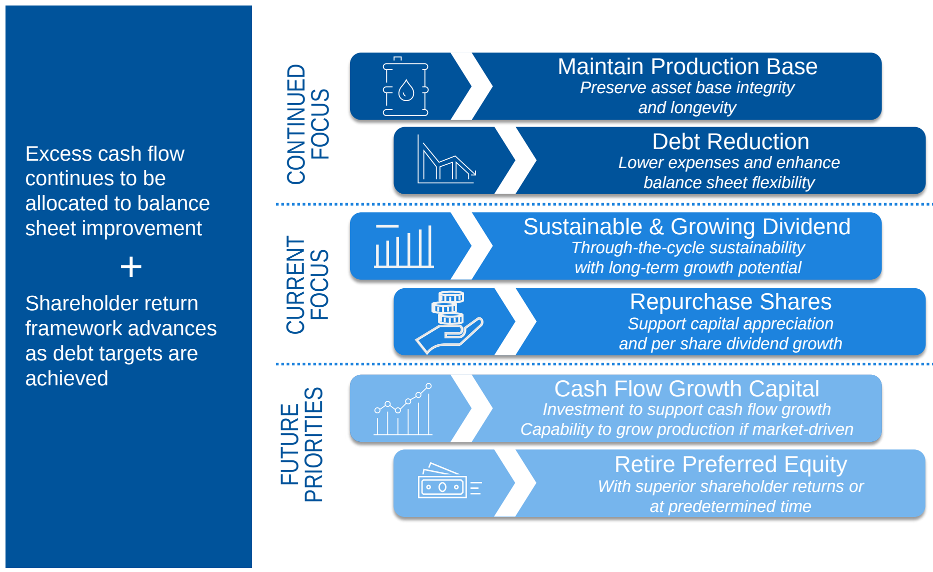
Oxy ups debt tender offer cap to $3.765B to take out $4.6B

Occidental Petroleum Corp. increased its most recent debt repurchase plan by nearly 90%, reporting a new total buyback amount of $3.765 billion after a May 20 deadline for its $2 billion tender offer yielded enthusiastic response from bondholders. The increased buyback will take about $4.6 billion principal amount of debt off Oxy's balance sheet. It also accelerates the pace at which the company will achieve its stated near-term goal of reducing overall debt by $5 billion, a goal that will trigger a $3 billion common share repurchase program once reached.

Plans to buy back $3B in common stock once it reaches a near-term goal of $5B debt reduction.

The company had previously structured the offer in three pools containing an aggregate 28 securities: two with nine bonds each capped at $650 million and one with 10 bonds at $700 million. But on May 23 it announced increases reflecting enlarged accepted amounts of the tendered notes and narrower pools. Oxy will now buy back portions of a total of 12 securities, with one of the $650 million pools expanded to $2.25 billion to accommodate the repurchase of portions of eight bonds with maturities ranging 2036-2049. *Read more...*

Oxy's 2022 Cash Flow Priorities



Source: Occidental Petroleum 05/11/22 presentation via **Enverus docFinder**

Activity Index

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ABOUT THIS REPORT

Capital Pulse is published every three weeks by **Enverus** and covers oil and gas finance primarily in the U.S. upstream sector, including the equity and debt markets, capital expenditures, restructurings and financial results.

All dollar amounts in this report are in U.S. dollars unless otherwise stated.

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Upstream

Denbury plans a $250MM stock buyback, narrows YOY loss

CO2-flood EOR operator Denbury Inc. said its board authorized a common stock repurchase plan for up to $250 million of its NYSE-listed common shares. At current market cap and prices, the planned buybacks equal more than 7% of Denbury's shares outstanding. The repurchases may be made through open-market purchases, negotiated transactions, block trades, exchange transactions or other methods. Denbury, which has assets in the Rockies and Gulf Coast regions, has traded as high as $91.30 and as low as $50.54 during the past 52 weeks, with current trading in the $70-$71 range.

"At current oil price levels, we believe that our cash flow generation will be more than sufficient to meet our anticipated capital needs, providing the opportunity to return meaningful capital to shareholders in this manner," CEO Chris Kendall said.

The Plano, Texas-based company said it spent $58 million in Q1, with funds directed toward its Cedar Creek Anticline EOR project on the Montana-North Dakota border and its expanding carbon capture, utilization and storage business. Denbury's operations brought in $90 million in cash flow during the quarter. Its free cash flow amounted to $51 million. At $412 million, total revenue was up 64% from a year earlier. The company's Q1 net loss of $872,000 was significantly narrower than the $70 million net loss reported a year ago.

Northern Oil & Gas ups buyback plans and dividends

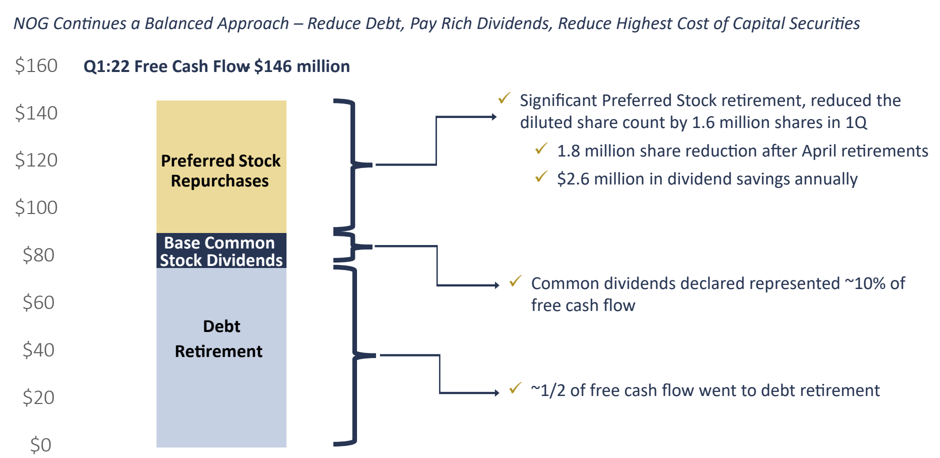
Northern Oil & Gas Inc. announced that its directors enlarged the company's common stock repurchase plan to $150 million from the previous $68.1 million and authorized programs to buy back preferred stock and senior unsecured notes. NOG has bought back about $40 million of its Series A preferred stock YTD, a move that will save the company $2.6 million in annual interest payments. Its common stock has traded as high as $30.44 and as low as $14.03 over the past 52 weeks. At current prices around $27 a share, NOG said the plan could reduce its share count by about 1.8 million. NOG also increased its regular quarterly dividend by 36% to $0.19 a share.

"Our execution continues to prove the superiority of our low-leverage, diversified-working-interest model," CEO Nick O'Grady said. "We also continue to de-risk the enterprise, allowing us to grow shareholder returns at an increasing pace."

The company sold $456 million in oil and gas in Q1, up 216% YOY, but derivative losses pulled net income into the red zone for a $207 million loss. Cash flow from operations hit $154 million while capex in Q1 amounted to $85.6 million. The company delivered free cash flow of $146 million. NOG still expects to spend $350-415 million this year.

Record Q1 production of 71,255 boe/d (60% oil) was up 85% from 1Q21. NOG's overall 2022 production guidance is 71,000-76,000 boe/d.

FCF & Shareholder Returns at a Glance



Source: Northern Oil & Gas 05/05/22 presentation via **Enverus docFinder**

Kolibri's BNK sub opens new $75MM revolver with BOKF

Kolibri Global Energy Inc. announced May 20 that its BNK Petroleum (US) Inc. subsidiary has entered a new $75 million revolving line of credit with a $20 million initial commitment from BOK Financial. The new four-year facility is payable at SOFR plus 300-400 bps depending on the borrowing base utilization amount, with the current interest rate at 4.64%. The facility provides for interest-only payments until the June 2026 maturity date and will be subject to bi-annual reserve redeterminations.

Recently executed 10:1 reverse split, raised $2 million through private placement with 4 investors.

Kolibri said BNK Petroleum used initial proceeds from the new facility to repay its previous facility with the same lender. The company currently has $16.2 million drawn on the new facility.

"We appreciate having BOKF's continued support of our Tishomingo project. The new loan provides us with additional credit available and extended maturity to June 2026," said CEO Wolf Regener, adding that the company will use the facility and cash flow to continue its 2022 drilling program in Q3. Kolibri's Tishomingo oil project targets the Caney Shale on 17,163 net acres in Oklahoma's Ardmore Basin, with YE21 2P reserves of 53.3 MMboe.

The company underwent a 10:1 reverse split of its common stock on May 16, reducing it from nearly 356.2 million shares. According to a February filing, the company also raised more than $2 million through a Regulation D offering to four investors. The Newbury Park, California-based company trades on the Toronto Stock Exchange and OTC market. It changed its name from BNK Petroleum in 2020.

The North American Upstream Top 40

Company	Exchange: Ticker	Market Cap ($MM)	Shares Out (MM)	Share Price	52-Week Share Price High	52-Week Share Price Low
Exxon Mobil Corp.	NYSE:XOM	$405,668	4,212.5	$96.30	$96.53	$52.10
Chevron Corp.	NYSE:CVX	$344,648	1,964.8	$175.41	$175.99	$92.86
ConocoPhillips	NYSE:COP	$141,119	1,269.1	$111.20	$111.53	$51.41
EOG Resources Inc.	NYSE:EOG	$77,941	585.7	$133.07	$133.46	$62.81
Canadian Natural Resources Ltd.	TSX:CNQ	$74,935	1,154.3	$64.92	$68.72	$29.47
Pioneer Natural Resources Co.	NYSE:PXD	$67,231	242.0	$277.86	$279.98	$133.73
Occidental Petroleum Corp.	NYSE:OXY	$62,220	937.2	$66.39	$69.17	$21.62
Suncor Energy Inc.	TSX:SU	$55,649	1,414.9	$39.33	$39.51	$17.07
Devon Energy Corp.	NYSE:DVN	$47,511	660.4	$71.94	$73.18	$24.05
Cenovus Energy Inc.	TSX:CVE	$43,168	1,972.0	$21.89	$22.02	$7.19
Hess Corp.	NYSE:HES	$36,932	309.6	$119.27	$119.69	$61.93
Imperial Oil Ltd.	TSX:IMO	$35,809	669.1	$53.52	$54.20	$23.88
Coterra Energy Inc.	NYSE:CTRA	$27,349	805.8	$33.94	$34.11	$14.28
Diamondback Energy Inc.	NasdaqGS:FANG	$25,160	177.5	$141.75	$147.99	$65.93
Continental Resources Inc.	NYSE:CLR	$22,910	357.2	$64.13	$66.86	$30.90
Marathon Oil Corp.	NYSE:MRO	$20,530	707.7	$29.01	$29.24	$10.41
Tourmaline Oil Corp.	TSX:TOU	$19,896	334.9	$59.41	$60.47	$21.84
EQT Corp.	NYSE:EQT	$17,313	369.5	$46.85	$47.83	$15.71
APA Corp.	NasdaqGS:APA	$15,586	342.2	$45.55	$45.58	$15.55
Ovintiv Inc.	TSX:OVV	$13,166	258.1	$51.01	$57.28	$21.90
Antero Resources Corp.	NYSE:AR	$12,969	311.1	$41.69	$41.81	$10.91
Chesapeake Energy Corp.	NasdaqGS:CHK	$12,631	127.3	$99.25	$102.20	$48.19
Texas Pacific Land Corp.	NYSE:TPL	$11,511	7.7	$1,486.84	$1,647.03	$946.29
ARC Resources Ltd.	TSX:ARX	$10,018	681.2	$14.71	$15.27	$5.85
Southwestern Energy Co.	NYSE:SWN	$9,352	1,116.0	$8.38	$8.68	$3.81
Range Resources Corp.	NYSE:RRC	$8,152	249.1	$32.73	$34.61	$12.37
PDC Energy Inc.	NasdaqGS:PDCE	$7,022	99.2	$70.81	$79.39	$34.52
Matador Resources Co.	NYSE:MTDR	$6,582	118.1	$55.73	$59.27	$24.76
Civitas Resources Inc.	NYSE:CIVI	$6,126	85.0	$72.10	$72.20	$31.74
Murphy Oil Corp.	NYSE:MUR	$6,033	155.4	$38.83	$44.63	$18.44
SM Energy Co.	NYSE:SM	$5,280	121.9	$43.33	$43.69	$14.79
MEG Energy Corp.	TSX:MEG	$5,264	310.6	$16.95	$17.50	$5.34
Whitecap Resources Inc.	TSX:WCP	$5,231	618.6	$8.46	$8.93	$3.65
Magnolia Oil & Gas Corp.	NYSE:MGY	$4,967	187.4	$26.50	$26.83	$11.59
Crescent Point Energy Corp.	TSX:CPG	$4,811	571.6	$8.42	$8.48	$2.86
Comstock Resources Inc.	NYSE:CRK	$4,365	232.9	$18.74	$19.17	$5.05
CNX Resources Corp.	NYSE:CNX	$4,238	195.0	$21.73	$23.33	$10.41
Paramount Resources Ltd.	TSX:POU	$3,911	141.6	$27.61	$28.25	$9.33
Denbury Inc.	NYSE:DEN	$3,737	50.4	$74.20	$91.30	$60.45
Vermilion Energy Inc.	TSX:VET	$3,578	165.2	$21.66	$23.97	$5.50

Note: Data includes U.S. and Canadian-domiciled public companies operating in upstream oil and gas, limited to >$1.00 share. All amounts are in US$.
Source: S&P Capital IQ (as of 05/25/22)

WEST COAST

CALIFORNIA OPERATED ASSETS
23-Producing Wells.
WEST WHITTIER FIELD
LOS ANGELES COUNTY
Producing From Two Faulty Blocks
Above & Below The Whittier Fault Zone
5-PDNP / PDBPs. 13-PUD Locations
Potential To Monetize Produced Gas
Avg 96.3% OPERATED WI (82.8% NRI)
Net Production (Feb-2022): 212 BOPD
Net Cash Flow (Jan-2022): $380,328
Net Proved Reserves: 3.232 MMBOE
Deal ID: 13616

ROCKIES

WILLISTON WATERFLOOD ASSETS
62-PDP Wells. 40,000-Net Acres.
BOWMAN COUNTY, NORTH DAKOTA
HARDING COUNTY, SOUTH DAKOTA
Primarily Producing From Red River Fms
30,000-Net Acres In 15-EOR Units.
Owned & Operated Midstream Assets
25-WIWs. 4-SWDs. 2-Dakota WSWs.
OPERATED WI With Minor ORRI/RI
Gross Production: 1.49 MBOPD
Net Production: 1.04 MBOPD
Upside: 2-Prod Optimization Candidates,
7-Infill Drilling, & 2-Hz Re-Entry Wells.
BIDS ARE DUE JUNE 23, 2022
Deal ID: 13700

DJ BASIN MINERAL & ROYALTY SALE
365-Hz Wells. 6,805-NRA (834-Unleased)
WELD & ADAMS COS., COLORADO
& LARAMIE CO., WYOMING
Acreage Normalized To 1/8th.
~60% Undeveloped Tier 1 Acreage
73-Wells On Production During 2021
116-DUCs. 206-Permits. 294-Undev Locs.
Net Production (Jun-2022E): 313 BOED
BIDS ARE DUE JUNE 7, 2022
Deal ID: 13689

WILLISTON NON-OPERATED ASSETS
64-Gross Wells. 1.5-Net PDPs (61-Gross)
WILLIAMS, MOUNTRAIL, MCKENZIE,
& DUNN COUNTIES, NORTH DAKOTA
Targets The Bakken & Three Forks Fms
With Strong Refrac Potential
2.6% Non-Operated WI (2% NRI)
WELLBORE-ONLY INTERESTS
Net Production: 123 BOED
Cash Flow (Apr-2022): $200,000
Leading To High Margin Production
BIDS ARE DUE JUNE 2, 2022
Deal ID: 13690

Upstream

PrairieSky Royalty renews NCIB buyback plan for another year

PrairieSky Royalty Ltd. commenced its next normal-course issuer bid May 26, having received TSX approval to continue buying back shares after its previous NCIB plan expired May 25. Under the new plan announced May 19, the Western Canada-focused oil and gas royalty owner may purchase up to 16.963 million common shares, representing 7.1% of its nearly 239 million common shares outstanding as of May 12, and 10% of the public float of almost 170 common shares. The new NCIB will expire no later than May 25, 2023.

The company will repurchase shares in open-market transactions on the TSX or other Canadian alternative trading platforms. Its limit is 154,372 shares per day, representing 25% of the shares' average daily trading volume for the six months ended April 30. PrairieSky may also make one block purchase per calendar week exceeding the daily limit. All repurchased shares under the plan will be canceled. The company engaged BMO Nesbitt Burns as broker.

Under its NCIB plan ending May 24, the company has bought back 809,700 common shares at a weighted-average price of C$13.90 a share. Its shares have traded as high as C$19.48 and as low as C$12.75 in the past 52 weeks, with current prices in the C$18 range.

Oxy ups debt tender offer cap to $3.765B to take out $4.6B From PG.1

The other $650 million pool was increased to $790 million to buy back portions of two notes maturing in 2027 and 2029, and the $700 million pool grew to $725 million to buy back parts of two notes that come due in 2026.

While the repurchases don't eliminate any of the bonds altogether, it more than halves the $2.26 billion principal amount outstanding of zero coupon notes due 2036 that were originally issued by Anadarko Petroleum in 2006. Of the $3.765 billion Oxy will spend on repurchases in this tender offer, it will use about $1.15 billion to buy back more than $1.8 billion principal amount of debt it assumed in the Anadarko buyout. Oxy announced a May 26 settlement date for all notes validly tendered and not validly withdrawn.

CEO Vicki Hollub's ultimate goal is to cut Oxy's net debt to $20 billion.

CEO Vicki Hollub's goal is to reduce Oxy's net debt to $20 billion. Moreover, CFO Robert Peterson told analysts on a Q1 earnings call that Oxy paid off about $3.3 billion of debt in Q1 to reduce its total to $25.2 billion, leaving $23.3 billion net after counting $1.9 billion in cash.

BB+ rated Oxy's debt mix contains securities issued as far back as 1993 and has maturities through 2096. Original issuers include the company itself as well as entities associated with 2019 takeover Anadarko Petroleum and Kerr-McGee, which Oxy bought in 2006. In a filing, the company said about $101 million principal amount of its debt will mature this year, $465 million in 2023 and $1.7 billion in 2024.

Hollub said that the planned $3 billion share buyback will be the inaugural pitch in a new shareholder framework, but the company will also continue to focus on paying down debt. "When this first phase of our shareholder return framework is complete, we will continue to focus on debt reduction until we have achieved the face value of our debt to the high teens," she said.

Oxy reported about $4.9 billion in net income on around $8.35 billion of revenue in Q1, compared with a $146 million net loss on $5.3 billion of revenue a year ago. It producedaverage global volumes of 1.079 MMboe/d and realized $91.91/bbl for its crude oil, $4.17/Mcf for its gas and $39.61/bbl for NGLs. Its upstream business generated $2.9 billion of profits while chemicals contributed $671 million. Midstream activities lost $50 million and the company's book reflected around $1.36 billion in assorted sales gains and non-cash tax benefits, offset by some derivatives losses. Oxy's cash flow before working capital of $4.2 billion minus $858 million in capex left record free cash flow of around $3.3 billion.

Hollub told analysts that Oxy's balance sheet "is going to be very, very healthy" by 2023, and that the company will increase production through the rest of 2022.

New energy-focused credit fund reportedly getting $500MM jolt

Centaurus Capital LP will back energy-focused credit fund Energy Opportunities Capital with $500 million, according to sources who spoke to Reuters. Centaurus is an entity owned by John Arnold, who reportedly made close to $750 million trading natural gas at Enron the same year it went bankrupt and is known today as something of a trading and hedge fund guru.

EOC Partners aims to benefit from commodity prices at multi-year highs, per the sources, as U.S. natural gas futures recently hit their highest mark since 2008 at nearly $9.00/MMBtu. The new credit fund is run by Richard Punches and Nick Fersen, who were managing directors at private equity firm EIG Global Energy Partners. EOC is looking at debt financing deals ranging $50-200 million in the upstream oil and gas sector, the sources said.

Daybreak Oil & Gas closes purchase of Reabold California

London-based Reabold Resources plc announced that it has completed the sale of its Reabold California LLC subsidiary to Daybreak Oil & Gas, which issued almost 161 million shares to another Reabold subsidiary, Gaelic Resources Ltd. The transaction results in AIM-listed Reabold indirectly owning about 42% of OTC-traded Daybreak. Reabold reported that its shareholders had approved the transaction May 26.

Reabold said that all conditions had been satisfied to close the deal. One condition was for Daybreak to raise $2.5 million through an equity placement, which it did by selling 125 million common shares to London-based Portillion Capital Ltd. and other investors. Proceeds will be used to grow production for the combined company.

RC owns an operated 50% stake in 10 wells producing 70 bo/d in the Sacramento Basin with proved reserves of 613,000 boe. The deal brings Daybreak's output up to 100 bo/d and its reserves to 1.085 MMboe.

"This transaction creates liquidity for Reabold and forms a new, cash flow-producing business with the skills and capability to capitalize on growth opportunities from its existing portfolio and attractive acquisitions presented by the market dynamics in California," Reabold co-CEO Sachin Oza said.

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MULTI-REGION

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GULF COAST

GULF COAST

ARK-LA-TEX

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