

DALLAS - Sullivan Osage, LLC has retained E-Spectrum Advisors LLC to sell its operated dewatering properties located in Osage County, Oklahoma. The properties are situated near the historic Burbank and Masham oil fields. Production revenue is 71 percent liquids and oil for the trailing six months. Production is derived from 54 vertical producing wells primarily targeting the Red Fork sandstone. Sullivan Osage holds 8,160 gross HBP acres in the 25,000 acre Grayhorse Area, in which Sullivan has exclusive leasing rights. Sullivan is delivering an approximate average WI and NRI of 96 percent and 75p percent, respectively. The company's currently leased acreage is predominately HBP. August 2013 net production from the properties is 810 BOEPD. Peak net production from proved developed reserves is projected to reach 2,870 BOEPD by August 2015. Net operating cash flow from proved developed reserves for 2014 is projected at \$9.9 million. Net proved reserves are 4.3 million barrels of oil equivalent (BOE) with a PV-10 value of \$43.9 million, of which 62 percent is proved developed. Upside includes 32 behind pipe wells targeting the Mississippian vertically and 31 low-cost PUDs targeting high-BTU gas of the Red Fork sand. The reserves are long-lived with a total proved reserves to production ratio of 14.5 years. The online data room is now open. Bids are due Wednesday, December 11.