

SM ENERGY

SM Energy Company (NYSE: SM)

Analyst: Marissa Medeiros

Investment Thesis

We recommend an **overweight** position on SM Energy's (SM) **7.00% 2032 senior unsecured notes**. SM, or "the Company," is an independent Exploration and Production (E&P) company that produces oil, gas, and natural gas liquids (NGL). As a commodity-based company, SM's performance tends to move in line with the oil and gas pricing indexes NYMEX West Texas Intermediate (WTI) and NYMEX Henry Hub (HH). As we expect oil prices to fall over the short term due to projected OPEC+ supply increases, SM's debt will decrease in price, creating a timely buying opportunity for SM's 2032 notes. Additionally, SM's sophisticated hedge management and use of fixed-price commodity derivative contracts enable it to better manage pricing risk than competitors and maintain high net income until oil market pricing recovers to sustainable levels. SM currently operates in Texas and Utah and has a history of expanding through the strategic acquisition of top-tier acreage. SM's recent acquisition of oil and gas assets in the Uinta Basin positions the Company for strong revenue growth and provides opportunities for the discovery of new resources in Utah. Further, increasing M&A activity in the Permian Basin lead us to believe SM will engage in more acquisitions to enter new markets. Along with SM's strong balance sheet, low leverage, and high liquidity, these factors lead us to view SM's 2032 notes as a compelling investment opportunity. We see the bond's current pricing as an opportune entry point, offering high returns and potential for price appreciation as market conditions stabilize.

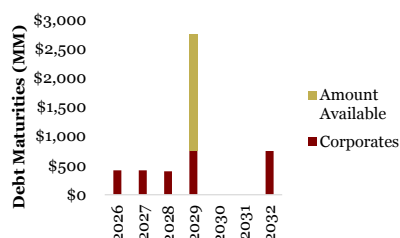
Figure 1: Capitalization Table

SM Capitalization Table										
	6/30/2025	10/20/2025	Interest	Cash					Debt / Adj. EBITDA	
	Face	Price	Market	Rate	Interest	Maturity	YTW	OAS	FY24A	FY25E
Cash & Cash Equivalents	\$102									
First Lien										
SM 2029 Rbl Revolver	-	-	-	S + 27.5	-	10/01/29	-	-		
Total First Lien Debt	\$ -	\$ -	\$ -		\$ -					
Net First Lien Debt	(102)		(102)							
Senior Unsecured										
SM 2026 Senior Unsecured 6.750% Notes	419	100.09	420	6.750%	28	9/15/26	5.34%	116 bps	\$0	\$0
SM 2027 Senior Unsecured 6.625% Notes	417	100.17	418	6.625%	28	1/15/27	4.13%	199 bps	\$0.20	\$0.18
SM 2028 Senior Unsecured 6.500% Notes	400	100.46	402	6.500%	26	7/15/28	5.84%	204 bps	\$0.19	\$0.17
SM 2029 Senior Unsecured 6.750% Notes	750	99.29	745	6.750%	51	8/01/29	6.96%	331 bps	\$0.37	\$0.33
SM 2032 Senior Unsecured 7.000% Notes	750	97.14	729	7.000%	53	8/01/32	7.54%	363 bps	\$0.37	\$0.33
Total Senior Debt	\$2,736	\$2,712	\$185						1.33x	1.20x
Net Senior Debt	2,634		2,610						1.28x	1.15x
Total Debt	\$2,736	\$2,712	\$185						1.33x	1.20x
Total Net Debt	2,634		2,610						1.28x	1.15x
Earnings										
FY24A Adj. EBITDA	\$2,053									
FY25E Adj. EBITDA	\$2,288									

Figure 2: Debt Distribution

Liquidity	
RCF Commitment	\$1,998
(-) RCF Borrowings	-
RCF Availability	\$1,998
(+) Cash	102
Total Liquidity	\$2,100

Source: Company Filings, Bloomberg



MFIF

Minutemen Fixed Income Fund

Security Data

Bond Maturity: 8/1/2032

Rating: B1/BB-

Rank: Senior Unsecured

Price: \$97.14

Yield-to-worst: 7.54%

Call Date: 8/1/2027

Coupon: 7.00%

OAS: 363 bps

CUSIP: 78454LAY6

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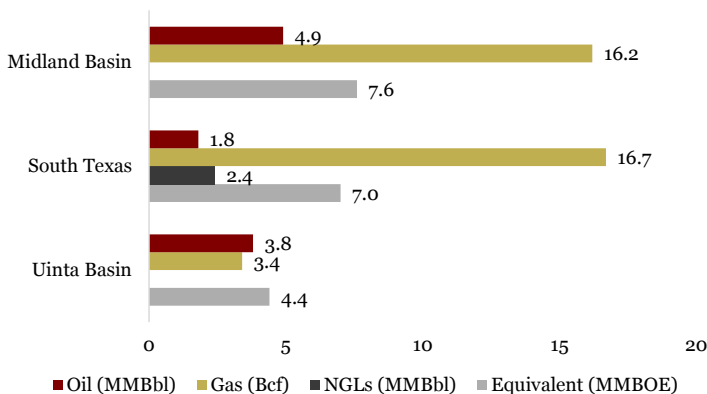
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Company Overview

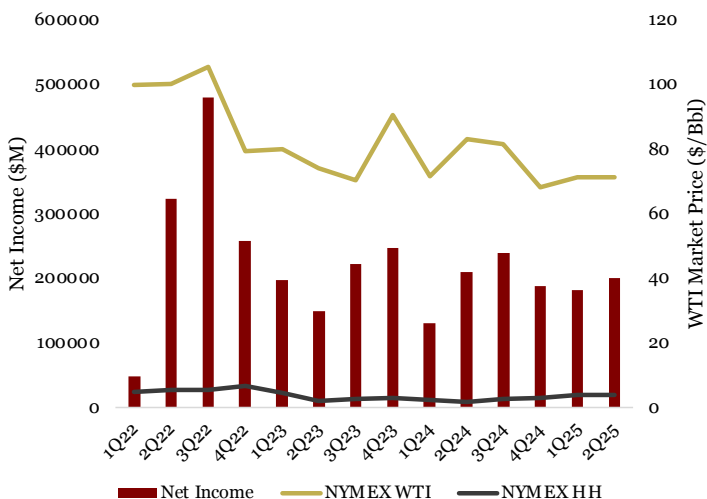
SM is an E&P company founded in 1908 and headquartered in Denver, CO. It operates ~327,000 net acres spanning Texas and Utah and aims to provide secure, affordable oil and gas to the U.S. SM's revenue is broken down by product type and basin, with 2Q25 revenue comprising of oil (83%), gas (10%), and NGL (7%), and distributed across the Midland Basin (43%), South Texas (27%), and Uinta Basin (30%). SM's production of oil, gas, and NGL involves extracting and developing raw materials from SM's wells through geosteering, or real-time control of the drill path to hit optimum reservoir intervals. At the end of 2Q25, the Company's drilled well count stood at 72. Management intends to continue adding wells to the drilling program through exploration activities, which target the discovery and assessment of new energy sources. This is done through geomechanical modeling and fracture simulation to better understand subsurface behavior and optimize well performance. SM has seen substantial growth in proved reserves and daily production over the past five years, marking a significant change in scale and value. Overall, we view SM's diversified revenue base as a competitive advantage that enhances operational flexibility and reduces exposure to basin-specific risks.

Figure 4: Total Net Production by Basin



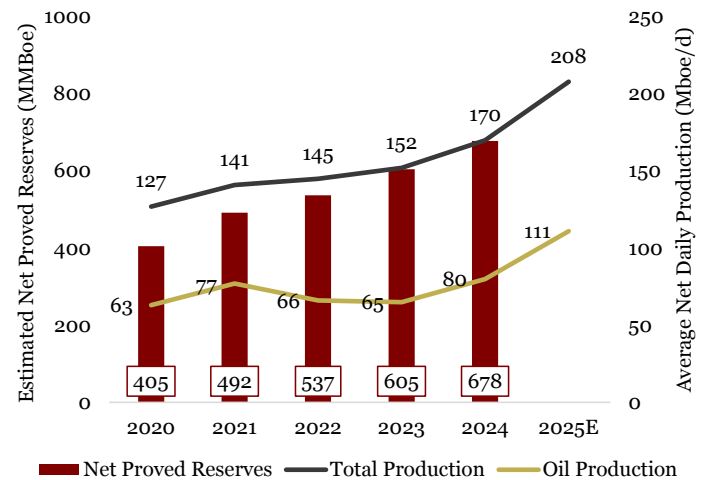
Source: Company Filings

Figure 5: Net Income to Index Pricing



Source: Company Filings, Bloomberg

Figure 3: Net Proved Reserves and Estimated Production



Source: 2Q25 Investors Presentation

Industry Overview

Oil and gas account for over 50% of the global energy mix. The global oil and gas market was valued at \$6.1T in 2024 and is expected to grow at a CAGR of 3.73% by 2034. The industry is segmented into Upstream, Midstream, and Downstream sectors. Upstream E&P companies lay the foundation for the entire industry by locating and extracting feedstocks used to produce fuels and petrochemicals. Exploration focuses on locating sites for crude oil and natural gas through geological surveys and exploratory drilling, while production involves drilling and extracting these products from wells using techniques like hydraulic fracturing and geosteering. E&P companies generate revenue by selling oil and gas to Midstream companies, which then transport and store the raw materials. Lastly, Downstream refiners convert oil and gas into finished products and distribute them to consumers. Relative to the other sectors, we believe E&P companies are the most attractive investment because they can rapidly expand through new reserve acquisitions and benefit directly from commodity price movements, which can amplify returns. This upside does come with risk, as E&P companies are dependent on oil, gas, and NGL prices, which we expect to remain volatile for the foreseeable future due to uncertainty surrounding global financial markets. SM is particularly susceptible to fluctuating prices for WTI, a light and sweet crude oil, and HH natural gas. In 2024, crude oil prices and U.S. natural gas prices were 6% and 12% lower in real terms than in 2023. However, it was still a stable year as oil prices exhibited minimal average monthly changes throughout a period of controlled OPEC+ supply, variable demand, and heightened geopolitical tensions, with key impact zones in Ukraine and the Middle East. Over a five-year term, we can't precisely predict oil and gas prices, but we expect demand for oil and gas to strengthen due to rising energy consumption from industrial, transportation, and power generation sectors. From 2023 to 2024, petroleum liquids production rose 2%, while natural gas production fell 1%. Oil is likely to remain the largest source of primary energy, as it remains crucial to manufacturing and transportation. We also expect natural gas production to start increasing significantly to support the computational needs driven by AI technologies and growing energy demand from lower-emission industrial processes.

Investment Rationale and Catalysts

As OPEC+ supply increases over the short term, oil prices will decline, creating a timely buying opportunity for SM's 2032 notes.

The Organization of the Petroleum Exporting Countries+ (OPEC+) is a group of oil-exporting nations that control ~90% of the world's oil supplies and help stabilize oil markets. In 2024, OPEC+ implemented production cuts to reduce global oil supply, which typically puts upward pressure on oil prices under steady demand. However, non-OPEC+ members, particularly in the U.S., continued to boost production throughout the year, with domestic crude output reaching a high of 13.5MM bpd. As a result, oil prices remained low, with WTI trading in the \$60-\$80/Bbl range. After OPEC+ restored previously halted oil production in April 2025, WTI prices fell further into the \$55-\$65/Bbl range. Monitoring WTI prices is critical for evaluating SM's 2032 notes, as their price closely mirrors fluctuations in the index. SM's 2032 notes fell to ~\$90 as WTI prices plummeted in April. As prices recovered through mid-2025, SM's 2032 price appreciated accordingly. In October 2025, OPEC+ announced another round of production increases, adding 137,000 bpd in November and bringing total restored output to 2.7MM bpd. This renewed supply pressure caused WTI prices to slide ~8% in early October, settling near \$60. SM's 2032s notes followed this move, dropping to ~\$98 in October from a premium price of ~\$101 in mid-September, with trading volume surging more than three times the average. We believe it is strategic to wait for the short-term oversupply to fully impact the market over the next month, then buy SM's 2032 notes as prices approach a temporary low. We expect the bond price to settle around \$95, consistent with the pattern observed in April. Historically, as oil oversupply is absorbed, oil prices recover, driving corresponding appreciation in E&P bonds. This presents an attractive entry point offering meaningful price upside and enhanced total return potential in SM's 2032 notes.

Figure 6: Commodity Derivative Contracts as of 2Q25

	3Q25	4Q25	2026	2027
Oil Derivatives (volumes in MBbl and prices in \$ per Bbl):				
Swaps				
NY MEX WTI Volumes	2,668	1,500	1,500	-
Weighted-Average Contract Price	\$71.07	\$69.02	\$62.81	-
Collars				
NY MEX WTI Volumes	2,247	2,648	4,569	-
Weighted-Average Floor Price	\$61.24	\$60.13	\$56.32	-
Weighted-Average Ceiling Price	\$72.92	\$69.53	\$64.86	-
Basis Swaps				
WTI Midland-NY MEX WTI Volumes	1,104	1,178	4,045	-
Weighted-Average Contract Price	\$1.18	\$1.18	\$0.99	-
WTI Houston MEH-NY MEX WTI Volumes	554	526	1,546	-
Weighted-Average Contract Price	\$0.44	\$0.44	\$0.35	-
Gas Derivatives (volumes in MBbl and prices in \$ per Bbl):				
Swaps				
NY MEX HH Volumes	10,257	8,015	26,627	7,888
Weighted-Average Contract Price	\$4.17	\$4.27	\$3.89	\$4.24
IF Waha Volumes	1,150	1,134	5,593	\$4,094.00
Weighted-Average Contract Price	\$1.67	\$2.02	\$2.80	\$3.63
Collars				
NY MEX HH Volumes	7,494	7,982	22,598	896
Weighted-Average Floor Price	\$3.24	\$3.25	\$3.49	\$4.00
Weighted-Average Ceiling Price	\$4.12	\$5.31	\$5.14	\$5.60
Basis Swaps				
IF Waha-NY MEX HH Volumes	5,117	5,046	574	1,008
Weighted-Average Contract Price	(\$0.72)	(\$0.66)	(\$1.75)	(\$1.70)
NGL Derivatives (volumes in MBbl and prices in \$ per Bbl):				
Swaps				
OPIS Ethane Mont Belvieu Non-TET Volumes	-	123	674	-
Weighted-Average Contract Price	-	\$13.07	\$12.04	-

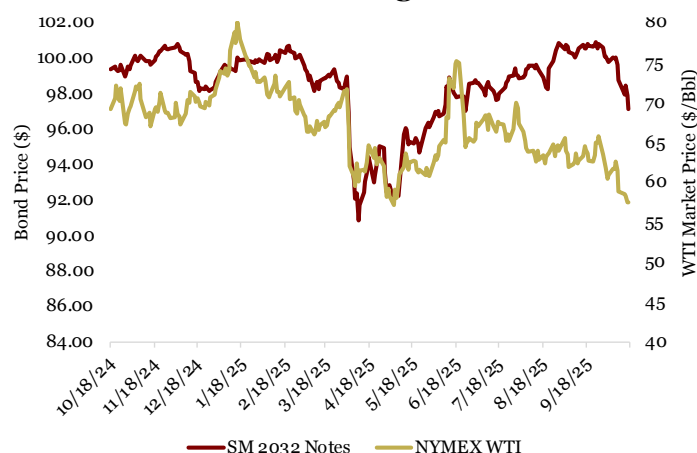
Source: Company Filings, Bloomberg

Minutemen Fixed Income Fund

SM's sophisticated hedge management and use of fixed-price commodity derivative contracts enable it to better manage pricing risk than competitors and maintain high net income until oil market pricing recovers.

Heading into 2026, we expect continued oil and gas price volatility and assume WTI will remain in the \$60-\$70/Bbl range. Amid this uncertainty, we favor companies with robust hedging programs that can mitigate exposure to oil, gas, and NGL price fluctuations. SM consistently executes a proactive hedging strategy through price swaps and collar arrangements for oil, gas, and NGL production, protecting its cash flows from adverse price movements. The Company has also entered oil swap contracts to fix the pricing differential between the NYMEX calendar month average and the roll differential. As of 2Q25, SM held contracts with terms through 3Q27 as summarized in Figure 6. Many of these locked-in prices exceeded market prices, boosting the Company's earnings and liquidity. This is reflected in SM's \$78.3MM market-to-market gain and \$39.7MM settlement gain in 2Q25. The fair value of SM's contracts increased to a net asset of \$51.9MM in 2Q25 from \$38.3MM in 4Q24, underscoring the effectiveness of its hedging program. Looking ahead, SM will hedge ~9,600 MBbls of expected 3Q25-4Q25 net oil production at a weighted-average price of \$65.07/Bbl-\$70.42/Bbl and ~36,000 BBtu of expected 3Q25-4Q25 net natural gas production at a weighted-average price of \$3.67/MMBtu-\$4.31/MMBtu. Among its competitors, SM's closest comparison in hedge sophistication is Chord Energy (CHRD), an oil, gas, and NGL producer that mainly operates in North Dakota. CHRD holds derivative contracts for oil and natural gas and is expected to hedge 13,000 Bbl/d of crude oil at a strike price of \$68.84/Bbl and 112,500 MMBtu/d of natural gas at a strike price of \$3.99/MMBtu in 4Q25. While CHRD's larger market capitalization supports greater production volumes, SM's 4Q25 oil strike price provides more upside relative to index pricing. SM's other industry peers, Murphy Oil (MUR) and Magnolia Oil & Gas (MGY), operate in the same South Texas shale as SM, but have limited derivative exposure. MUR uses fixed-priced swaps for natural gas, but lacks oil price protection, while MGY doesn't use derivatives. This distinction positions SM ahead of its competitors. Through a diverse mix of swaps, two-way collars, basis swaps, and roll differentials, SM ensures predictable revenue while managing downside, basis differential, location, and roll risk, whereas most of its peers only cover basis risk. We believe this disciplined hedging strategy provides SM with stable cash flows, enhancing liquidity and the Company's ability to deleverage.

Figure 7: SM 2032 Notes' Price to Index Pricing



Source: Company Filings, Investors Presentation

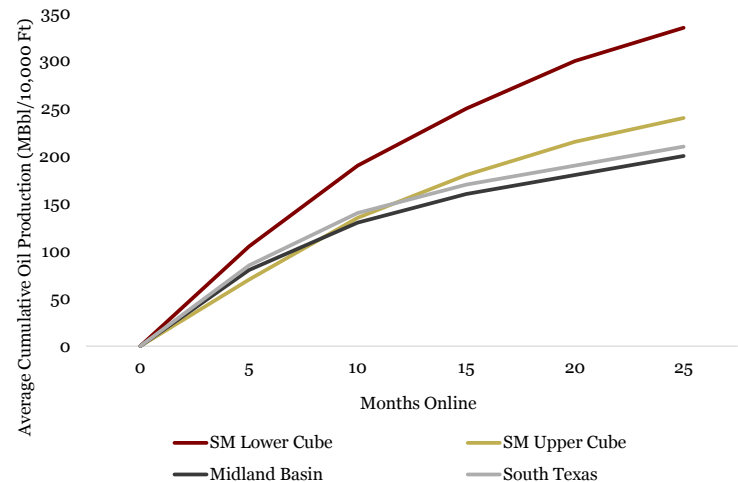
SM's recent acquisition of oil and gas assets in the Uinta Basin positions the Company for strong revenue growth and provides opportunities for the discovery of new resources in Utah.

SM completed its acquisition of the Uinta Basin oil and gas assets owned by the private company XCL Resources (XCL) in 4Q24. The acquisition totaled \$2.1B and was financed using \$1.9B in cash and a portion of the proceeds received from SM's 2032 notes. Prior to the acquisition, SM exclusively operated in Texas. The Uinta Basin addition expanded SM's geographic footprint by ~67,000 acres into Northeast Utah, increasing the Company's total acreage by over 20%. The acquired assets were fully developed, reducing upfront capital expenditures and eliminating the need for costly exploration. SM's acquisition of the Uinta Basin was a strategic move to expand oil production and strengthen long-term revenue growth. SM was attracted to the Uinta Basin because of its potential for massive inventory expansion through its oil-rich intervals. Oil is SM's core revenue driver, supporting increased cash flow and enabling quick deleveraging. SM completed the integration of the Uinta assets in 2Q25 and reduced its Net Debt/Adj. EBITDA to 1.2x from 1.5x in 4Q24 by paying off the balance on its revolving credit facility. Looking ahead, the Uinta Basin offers significant growth potential through the continued development of its upper and deep cube formations. Throughout the first half of 2025, 90% of SM's Uinta drilling focused on the lower cube, with 14 wells drilled and 7 different landing zones tested, and 10% focused on the upper cube, with 4 wells drilled. SM plans to complete more wells in these cubes throughout the year, while starting tests in the deep cube. The Company intends to add 10 net wells in 2025 to the drilling program for \$75MM. Overall, the Uinta Basin is a key driver of SM's future production, cash flow, and overall growth trajectory.

Increasing M&A activity in the Permian Basin could cause SM to engage in more acquisitions and enter new markets.

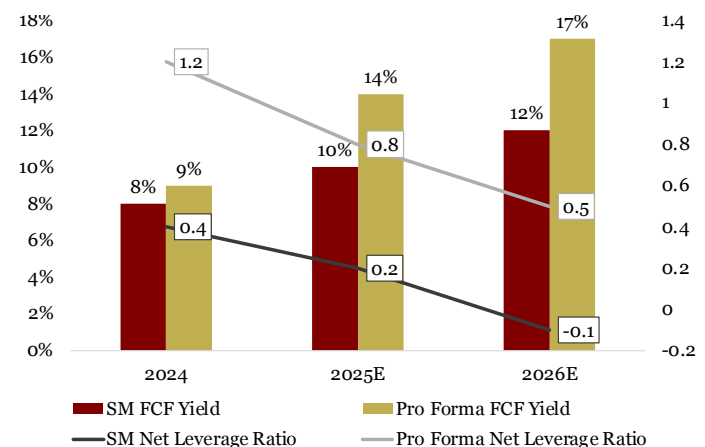
The Upstream sector has seen significant M&A consolidation in the Permian Basin, with ~\$136B in deals since 2023. SM's recent focus on strategic expansion suggests SM will engage in more M&A activity in the next three years. The Company recently added new oil reserves through the Uinta acquisition in 4Q24 and a 29,700-acre expansion in the Midland Basin in 2023. We anticipate SM will continue pursuing acquisitions to expand its reserves and presence in key basins. We expect the Permian Basin to be a region SM would be eager to expand into, as it's the world's largest oil-producing field, with oil production growing at an annual average of 485 kbbl/d. One potential deal opportunity for SM could involve Civitas Resources (CIVI), a carbon-neutral oil and gas producer with 140,000 net acres across the Permian Basin and Denver-Julesburg Basin. As of September 2025, CIVI started looking to sell itself, specifically to SM for a merger of equals. While no deal has been confirmed, a merger with CIVI could expand SM's footprint, provide access to valuable reserves, and strengthen its competitive position. If the merger between SM and CIVI were completed, the combined company would be worth \$14B, including debt, making it one of the largest mergers of the year. There would be no premium included in the deal. While CIVI has faced operational challenges in the past, we believe its strong 2Q25 earnings, recent change in CEO, positive FCF, and strategic basin location make it an appealing partner for SM.

Figure 8: Uinta Basin Production Competitive with Other Basins



Source: 2Q25 Investors Presentation

Figure 9: Pro Forma Metrics



Source: Uinta Acquisition Investors Presentation

Risks to Thesis

- If OPEC+ maintains higher output over the long term, oil prices could stay low longer than anticipated, limiting price appreciation in SM's 2032 notes.
- In SM's commodity swap agreements, if the index price exceeds the fixed swap price, the Company is obligated to pay the difference, which could result in realized losses during periods of rising oil and gas prices.
- If production from the Uinta Basin's upper and deep cube formations underperform expectations, SM's projected revenue growth from the acquisition could be lower than expected.
- A deal between SM and CIVI could dilute FCF/EV and leverage metrics for SM, as SM currently trades at a cheaper valuation with lower leverage than CIVI.

Relative Valuation

SM competes with other mid-cap oil, gas, and NGL companies, including Chord Energy (CHRD), Murphy Oil (MUR), Magnolia Oil & Gas (MGY), and Matador Resources (MTDR). While MUR, MGY, and MTDR share a presence in the Eagle Ford Shale in Texas with SM, CHRD mainly operates in the Williston Basin in North Dakota.

SM is the smallest company relative to its competitors, with a market capitalization of \$2,443.9MM and enterprise value of \$5,053.2MM. Still, SM maintains an above average revenue and net income of \$3,133.3MM and \$812.7MM, respectively. SM also has a high FCF of \$604.6MM, allowing it to maintain the highest FCF yield among its peers of 20.5%. This is a huge differentiator, especially when compared to MTDR's negative FCF and FCF yield, because it allows SM to maintain financial flexibility, pay down debt, and pursue growth opportunities. SM's leverage ratio, though higher than its competitors, remains below the BB- rated E&P industry average of 1.8x, indicating the Company can continue deleveraging. SM's leverage was elevated following the Uinta acquisition, reaching 1.5x, but has already declined to 1.2x, putting the Company on track to reach its 1.0x leverage target in the near term. These metrics underscore SM's ability to remain resilient during periods of macroeconomic volatility, maintain liquidity, provide stable long-term income.

SM's 2032 notes are currently trading at an OAS of 363.0 bps. The notes exhibited tightening from May 2025 to August 2025, narrowing by ~100 bps, reflecting sensitivity to rising WTI prices. However, SM's notes, along with those of its competitors, have recently widened due OPEC+ projected output increases. We anticipate significant tightening of these notes by anywhere from 50-125 bps after short-term oversupply fully impacts the market. SM's 2032 notes also present the most attractive investment opportunity relative to the other 2032s and 2033s amid this environment. SM's notes carry both the highest coupon rate of 7.00% and YTW of 7.54% compared to CHRD, MUR, MGY, and MTDR's yields in the 6.29%-6.46% range. SM's coupon rate and YTW are also above the BB-rated E&P industry averages of ~6.80% coupon rate and ~6.78% YTW. Additionally, the BB-rated high yield bond index is currently yielding 7.28%, while SM's 2032 are yielding 7.54% at worst. SM is also one of the only issuers with its notes priced at a discount, providing room for price appreciation as oil prices improve. In buying the 2032s today, we expect the price to increase as the outlook for global oil supply and demand improves.

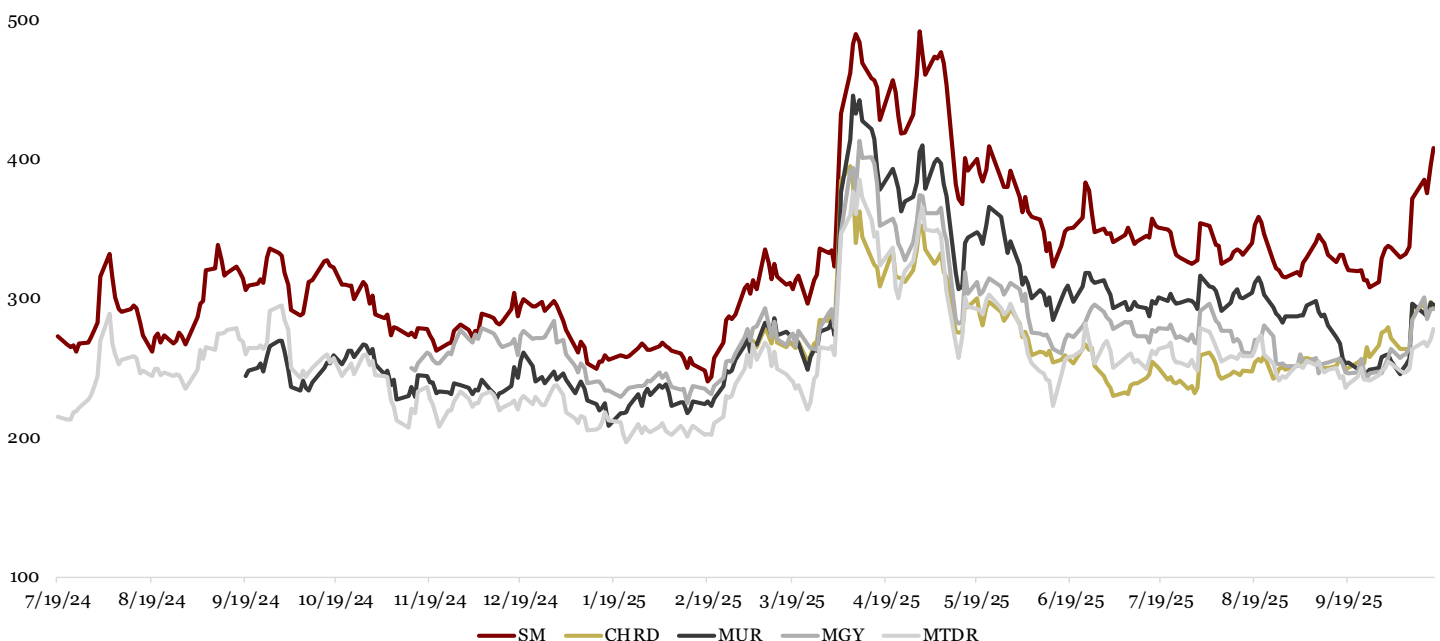
Overall, SM offers superior returns relative to competitors and has a well-managed debt profile. SM has a staggered capital structure, limited near-term refinancing risk, and maintains \$2.1B in liquidity, including an undrawn revolver recently redetermined at lower rates.

Figure 10: Comparable Company Analysis

Comps (USD in Millions)	SM	CHRD	MUR	MGY	MTDR
Market Capitalization	2,443.9	5,138.3	3,977.9	4,352.5	5,354.5
Cash & Cash Equivalents	101.9	40.5	379.6	251.8	10.5
Total Debt	2,736.0	956.5	2,161.1	392.9	3,473.7
Enterprise Value	5,053.2	6,054.3	5,918.0	4,493.6	9,178.0
Revenue	3,133.3	5,300.7	2,767.4	1,329.0	3,788.6
Net Income	812.7	765.2	330.9	363.7	875.9
Interest Expense	164.8	71.3	113.5	19.4	199.0
Adj. EBITDA (LTM)	2,233.8	2,485.1	2,316.5	961.5	2,557.5
Net Debt/Adj. EBITDA (LTM)	1.2x	0.4x	0.8x	0.1x	1.4x
Adj. EBITDA Margin (LTM)	71%	47%	84%	72%	68%
Adj. EBITDA/Interest (LTM)	13.6x	34.9x	20.4x	49.6x	12.9x
Capital Expenditures	(1,479.6)	(1,344.7)	(1,069.3)	(471.1)	(3,709.2)
Free Cash Flow	604.6	961.6	451.9	392.6	(1,294.9)
Free Cash Flow/Debt	0.2x	1.0x	0.3x	2.8x	-0.4x
FCF Yield	24.7%	18.7%	11.4%	9.0%	-24.2%
Individual Security Comps	SM	CHRD	MUR	MGY	MTDR
Rating (Moody's, S&P)	B1/BB-	Ba2/BB	Ba2/BB+	B1/BB-	B1/BB-
Coupon	7.00%	6.75%	6.00%	6.875%	6.50%
Maturity	8/1/2032	3/15/2033	10/1/2032	12/1/2032	4/15/2032
Price	97.14	101.10	97.62	101.50	100.64
YTW	7.54%	6.46%	6.43%	6.45%	6.29%
OAS	363.0 bps	241.3 bps	246.8 bps	243.5 bps	225.9 bps
Next Call Date	8/1/2027	3/15/2028	10/1/2027	12/1/2027	4/15/2027
Spread/Turn of Leverage	307.8 bps	654.6 bps	320.9 bps	1659.3 bps	166.8 bps

Source: Bloomberg, Company Filings

Figure 11: Option Adjusted Spread (bps)



Source: Bloomberg

Summary Model

Financial Statement Model for SM (in thousands)														
Fiscal Year	FY22A	FY23A	FY24A	1Q24A	2Q24A	3Q24A	4Q24A	1Q25A	2Q25A	3Q25E	4Q25E	FY25E	FY26E	FY27E
EOP Date	12/31/22	12/31/23	12/31/24	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25	9/30/25	12/31/25	12/31/25	12/31/26	12/31/27
Income Statement														
Operating revenues and other income														
Midland Basin														
Oil production revenue	1,816,597	1,347,780	1,447,679	332,191	378,830	386,915	349,743	336,427	314,535	339,698	322,713	1,313,373	1,349,037	1,485,701
P/P	-26%		7%	-6%	14%	2%	-10%	-4%	-7%	8%	-5%	-9%	3%	10%
Gas production revenue	432,831	175,183	118,455	40,538	22,833	19,265	35,819	56,213	27,215	25,854	24,562	133,844	147,309	228,774
Q/Q	-60%	-32%	-7%	-44%	-16%	86%	57%	-52%	-5%	-5%	13%	10%	66%	55%
NGL production revenue	986	687	634	84	134	176	240	153	109	131	144	537	668	990
Q/Q	-30%	-8%	-32%	60%	31%	36%	-36%	-29%	20%	10%	-15%	24%	10%	42%
Total	2,250,414	1,523,650	1,566,768	372,813	401,797	406,356	385,802	392,793	341,859	365,683	347,418	1,447,753	1,497,014	1,715,424
South Texas														
Oil production revenue	453,471	465,995	542,704	108,703	153,724	144,912	135,365	117,414	113,480	122,558	120,107	473,560	491,146	519,822
Q/Q	3%	16%	-6%	41%	-6%	-7%	-13%	-3%	8%	-2%	-13%	4%	6%	
Gas production revenue	358,049	152,700	123,685	27,306	22,352	31,290	42,737	54,419	44,481	43,147	40,989	183,036	221,698	279,240
Q/Q	-57%	-19%	-30%	-18%	40%	37%	27%	-18%	-3%	-5%	48%	21%	26%	
NGL production revenue	283,972	221,544	234,098	50,774	55,578	59,822	67,924	60,902	53,521	58,873	61,817	235,113	245,942	245,536
Q/Q	-22%	-22%	6%	-6%	9%	8%	14%	-10%	-12%	10%	5%	0%	5%	0%
Total	1,095,492	840,239	900,487	186,783	231,654	236,024	246,026	232,735	211,482	224,578	222,913	891,708	958,786	1,044,598
Uinta Basin														
Oil production revenue	-	-	197,098	-	-	-	197,098	204,630	225,363	218,602	214,230	862,825	907,053	921,686
Q/Q	-	-	-	-	-	-	4%	10%	-3%	-2%	338%	5%	2%	
Gas production revenue	-	-	-	-	-	-	6,932	9,462	6,298	6,487	6,682	28,928	27,463	27,731
Q/Q	-	-	-	-	-	-	36%	-33%	3%	3%	317%	-5%	1%	
NGL production revenue	-	-	-	-	-	-	-	-	74	75	75	224	310	322
Q/Q	-	-	-	-	-	-	-	-	1%	1%	38%	4%	4%	
Total	-	-	197,098	-	-	-	204,030	214,092	231,735	225,164	220,987	891,978	934,826	949,740
Other operating income	12,741	9,997	18,974	274	1,104	1,233	16,363	4,924	7,867	5,507	5,782	24,080	16,778	13,584
Total operating revenues and other income	3,358,647	2,373,886	2,683,327	559,870	634,555	643,613	852,221	844,544	792,943	820,932	797,101	3,255,520	3,407,405	3,723,346
Operating expenses														
Oil, gas, and NGL production expense	620,912	563,543	636,971	137,375	136,622	148,380	214,594	225,073	224,008	187,172	181,739	817,992	776,888	848,923
as % of revenue	18%	24%	24%	25%	22%	23%	25%	27%	28%	23%	23%	25%	23%	23%
Exploration	54,943	59,480	64,121	18,581	17,094	12,097	16,349	11,763	15,355	14,690	14,690	56,498	58,761	58,761
as % of revenue	2%	3%	2%	3%	3%	2%	2%	1%	2%	2%	2%	2%	2%	2%
General and administrative	114,558	121,063	138,344	30,178	31,112	35,141	41,913	39,339	42,097	43,583	42,318	167,337	180,898	197,671
as % of revenue	3%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Interest expense	(120,346)	(91,630)	(140,659)	(21,873)	(21,807)	(50,682)	(46,297)	(44,373)	(42,561)	(67,210)	(67,210)	(221,354)	(268,840)	(268,840)
EBIT	1,516,116	1,005,832	1,106,882	185,141	285,690	348,332	287,719	276,374	295,063	320,603	229,588	1,121,627	1,271,534	1,587,131
(+) Depletion, depreciation, and amortization	603,780	690,481	809,305	166,188	179,651	202,942	260,524	269,900	292,990	256,589	256,589	1,076,068	1,026,356	1,026,356
EBITDA	2,119,896	1,696,313	1,916,187	351,329	465,341	551,274	548,243	546,274	588,053	577,192	486,177	2,197,695	2,297,890	2,613,487
Adj. EBITDA	2,201,344	1,815,336	2,052,780	382,682	497,347	587,722	585,029	570,177	611,207	602,128	504,203	2,287,714	2,369,993	2,685,590
Balance Sheet Summary														
Cash and cash equivalents	444,998	616,164	-	506,252	487,869	1,735,313	-	54	101,877	294,161	349,116	349,116	499,600	775,156
Accounts receivable	233,297	231,165	360,976	241,731	239,095	226,604	360,976	382,955	364,296	377,155	366,206	366,206	402,498	435,288
Total current assets	737,203	916,439	434,699	793,045	774,228	2,044,428	434,699	471,822	575,090	759,807	803,813	434,699	803,813	990,589
Total property and equipment	4,882,779	5,376,420	7,992,709	5,513,597	5,661,533	5,754,270	7,992,709	8,161,632	8,260,768	8,384,290	8,504,225	8,504,225	9,016,921	9,577,154
Total assets	5,716,039	6,379,985	8,576,647	17,236	16,928	16,796	20,947	20,836	20,471	19,551	19,626	9,455,021	10,154,492	11,023,071
Total debt	1,572,210	1,575,334	2,708,243	1,576,115	1,576,896	2,706,700	2,708,243	2,709,584	2,711,148	2,736,030	2,736,030	2,736,030	2,316,790	1,900,000
Net debt	1,127,212	959,170	2,708,243	1,069,863	1,089,027	971,387	2,708,243	2,709,530	2,609,271	2,441,869	2,386,914	2,386,914	1,817,190	1,124,844
Total liabilities	2,630,581	2,764,135	4,339,390	2,700,207	2,813,071	3,966,226	4,339,390	4,383,932	4,403,137	4,476,123	4,430,025	4,430,025	4,163,591	3,884,860
Cash Flow Summary														
Net income (loss)	1,111,952	817,880	770,293	131,199	210,293	240,523	188,278	182,269	201,665	223,723	210,040	817,698	842,577	876,853
Cash flows from operating activities	1,686,406	1,574,394	1,782,514	276,000	476,382	452,263	577,869	482,985	571,143	514,351	402,590	1,971,070	2,021,540	2,281,606
Cash flows from investing activities	(880,263)	(1,098,685)	(3,407,171)	(332,288)	(424,679)	(302,945)	(2,347,259)	(428,760)	(410,202)	(348,084)	(347,635)	(1,534,681)	(1,451,816)	(1,589,261)
Capital expenditures	(879,934)	(989,411)	(1,310,630)	(332,365)	(322,684)	(302,107)	(353,474)	(413,868)	(410,175)	(353,382)	(343,124)	(1,520,549)	(1,466,769)	(1,602,770)
Acquisition of proved and unproved oil properties	-	(109,931)	(2,103,677)	-	(101,998)	(898)	(2,000,841)	(14,892)	(27)	-	-	(14,919)	-	-
Cash flows from financing activities	(693,861)	(304,543)	1,021,469	(53,624)	(70,086)	1,098,126	34,077	(54,171)	(59,118)	26,017	-	(87,272)	(419,240)	(416,790)
Net change in cash	112,282	171,166	(603,188)	(109,912)	(18,383)	1,247,444	(1,735,313)	54	101,823	192,284	54,955	349,116	150,484	275,556
FCF Reconciliation														
Cash flows from operating activities	1,686,406	1,574,394	1,782,514	276,000	476,382	452,263	577,869	482,985	571,143	514,351	402,590	1,971,070	2,021,540	2,281,606
(-) Capex	(879,934)	(989,411)	(1,310,630)	(332,365)	(322,684)	(302,107)	(353,474)	(413,868)	(410,175)	(353,382)	(343,124)	(1,520,549)	(1,466,769)	(1,602,770)
Free Cash Flow to Firm	806,472	584,983	471,884	(56,365)	153,698	150,156	224,395	69,117	160,968	160,969	59,466	450,520	554,771	678,836
Operating Metrics														
Gross Margin	82%	76%	76.3%	75.5%	78.5%	76.9%	74.8%	73.3%	71.7%	77.2%	77.2%	74.9%	77.2%	77.2%
Operating Margin	45%	42.4%	41.3%	33.1%	45.0%	54.1%	33.8%	32.7%	37.2%	39.1%	28.8%	34.5%	37.3%	42.6%
Adj. EBITDA Margin	66%	76.5%	76.5%	68.4%	78.4%	91.3%	68.6%	67.5%	77.1%	73.3%	63.3%	70.3%	69.6%	72.1%
FCF Margin	24%	24.6%	17.6%	-10.1%	24.2%	23.3%	26.3%	8.2%	20.3%	19.6%	7.5%	13.8%	16.3%	18.2%
Credit Metrics														
Net Debt/Adj. EBITDA	0.5x	0.5x	1.3x	0.6x	0.6x	0.5x	1.3x	1.2x	1.1x	1.0x	1.0x	1.0x	0.8x	0.4x
Net Debt/FCF	1.4x	1.6x	5.7x	2.4x	2.1x	1.9x	5.7x	4.5x	4.3x	4.0x	5.3x	5.3x	3.3x	1.7x
Adj. EBITDA/Interest	18.3x	19.8x	14.6x	19.0x	20.1x	16.9x	14.6x	13.7x	12.8x	11.8x	10.3x	10.3x	8.8x	10.0x
FCF/Interest	6.7x	6.4x	3.4x	-0.6x	1.7x	1.3x	1.6x	0.4x	0.9x	0.8x	0.3x	2.0x	2.1x	2.5x

Source: Company Filings