

**KOC**

KIMBREL OIL CORPORATION



### **Michael W. Kimbrel President and Chief Executive Officer**

**Kimbrel Oil Corporation ("KOC"), led by Michael Kimbrel, who has been an independent producer of oil and gas for 54 years. Following are some of the major achievements during this period.**

☐ **1969, Co- Founded Kimbrel Brothers Oil Corporation and Kimbrel Supply Company.** Both companies operated in Illinois and Ohio. Business Model: Purchasing Major and other Companies non-core assets, P&A noncommercial wells, refabricate equipment and sell into drilling funds mainly in Ohio-Appalachian Basin. Identify behind pipe and other asset opportunities, and produce and rework assets economic wells/leases.

☐ **1971 Mike sold his interest to his family in the Kimbrel family business and moved to Tulsa, Oklahoma where he co-founded Giant Petroleum Corporation and served as its first and only President/CEO. Led by Kimbrel, Giant engaged in the drilling and acquisition of thousands of wells in the Appalachian and Mid-Continent areas of US.** Giant also successfully **expanded into Permian, Mid-continent and San Juan Basins** performing successful acquisition, exploration and development activities in these Basins.

☐ **In 1974 Giant Petroleum discovered what would be named the Southwest Cherokee Natural Gas Field in Alfalfa County, Oklahoma.** A major Gas field with extensive development.

☐ **1976 the United States Federal District Court for the Northern District of Oklahoma, in the Home Stake bankruptcy matter, awarded Giant Petroleum a contract to drill and complete 40 wells in northeastern Ohio, where Giant had drilled and operated hundreds of wells of Natural Gas wells. The timely and professional performance of this contract for the Federal Court gained Giant, and Kimbrel, national recognition. During this period Giant also raised approximately \$20,000,000 in various drilling partnerships which resulted in the drilling and completion of 75-100 additional wells in various domestic basins.**

☐ **1978 Giant partnered with Lone Star Gas Company of Dallas, Texas in a large natural gas project in northeast Ohio. Giant was appointed Operator of the Giant/Lone Star Gas venture consisting of 110,000 acres and 87 drilled wells not producing. Giant completed these gas wells which Lone Star had been forced to shut-in due to a lack of Gas sales contract and pipeline facilities.**

Giant contracted to **drill 110 new wells** and accessed the newly established "self help" program with the State of Ohio allowing producers and end users to contract directly with the State's intrastate pipelines and utilities who were required to transport the "self help" gas. Kimbrel was one of the first producers to take large scale advantage of this program and negotiated and engineered the Giant/Lone Star venture contract with **Jones & Laughlin Steel of Pittsburgh, Pennsylvania** to supply gas to their Cleveland, Ohio steel mill. Under this contract Jones & Laughlin was required to build an extensive new mid-stream pipeline and gathering system to accommodate Giant/Lone Star field. Giant drilled and completed an **additional 110 wells, including 87 existing wells, placed 197 well in to active production.** Under Kimbrel's leadership, in addition to operating the 197 Giant/Lone Star wells, **Jones & Laughlin selected and contracted with Giant to finish the construction and operate its new mid-stream pipeline, gathering system and compression facilities.**

Between 1980 and 1983 Kimbrel engineered two large sales of the Giant/Lone Star venture properties. One to Samuel Lefrak Real Estate Holdings, New York City's largest apartment landlord, who purchased these properties to supply gas to his thousands of New York City and Queens Apartments. Kimbrel again completed another sale to Park-Ohio, a large end user in Cleveland, Ohio for their industrial plant use.

1980-Kimbrel's company purchased controlling interest of a North American Soccer League, "NASL" team, Tulsa Roughneck's, from Herman Lay (President of Frito Lay and Pepsi Co.). This franchised team went on to win the North American Soccer League, "Soccer Bowl" in Vancouver, BC on September 1983. Using a common sense business model, the Roughnecks in three years, with the lowest estimated payroll in the league, secured the North American Championship. This remains, to our knowledge, the only National Professional Championship won by any Oklahoman Professional Sport Franchise. In 1984, Kimbrel et.al., monetized the Tulsa Roughneck's with a sale to United Cable TV franchise out of Denver, CO.

In 1984 Mr. Kimbrel added Kimbrel Oil Corporation ("KOC"), who operates primarily in five basins: Illinois basin, Texas Permian basin, New Mexico San Juan basin, Louisiana and Oklahoma Anadarko basin. Mike serves as its current, and only, President.

In addition to heading up KOC, in 1986 Mr. Kimbrel was made President of Henry Energy Corporation a public company headquartered in Dallas, Texas. The Henry Energy saga began in 1986 when KOC became a partner with Allen & Company of New York, who supplied equity. The partnership was established to identify, acquire and improve "troubled" petroleum assets in the debt burdened energy sector. One of the first deals for this relationship was the acquisition of the producing assets of Lammerts Oil Company ("LOC") LOC owed a group of banks, led by Continental Illinois National by FDIC Receiver, 50 million dollars. Additionally, LOC owed trade creditors, represented by Halliburton as Chair of the Creditors Committee, another 15 million dollars. To make this acquisition KOC formed Confed Oil Co. (Named from a combination of Continental Bank and Federal from FDIC). Confed successfully completed this transaction by re-establishing profitable production levels on some 75 plus wells and selling same off in parcels in 1987 to the Employee Pension of Ross Perot Systems and others. In 1986, Kimbrel merged remaining acquired assets with said Henry Energy Corporation through an agreement with the Ft. Worth, Texas branch of Mercantile Bank who had previously held control of Henry's shares. In 1987-88 Kimbrel negotiated settlements with Henry's debt holders and creditors which empowered Kimbrel to liquidate Henry's assets and return the Company to active status.

In 1994 KOC acquired the "Wheat Field" from Latex Petroleum Company. The Wheat Field was located on the Johnson Ranch, in Loving County, Texas, covered several thousand acres. This project was developed, monetized and sold off in 3 separate sales. Kimbrel retained various Deep Rights positioning itself in a financially very successful horizontal play with OXY Petroleum Company.

In 1995 KOC acquired the "Marine Field" and "Waterloo" Fields in Madison county Illinois containing approximately 120 wells on the largest Silurian Reef in the Illinois Basin. In 2 years, KOC drilled 5 new wells and re-worked several existing wells resulting in an increase of production of from 23 BOE per day to 500 BOE per day. KOC has owned various other Illinois assets including the Lawrenceville Field and more.

In 1996 Kimbrel added another company to his portfolio when he, together with KOC's acting CFO Bill Jones, formed Fairway Links Energy Inc. ("FLEI") a Texas corporation, for the sole purpose of acquisitions of producing oil and gas properties. Fairway Links immediately identified and contracted to purchase, under its acquisition arm Confed Oil Inc., 600 wells the Panhandle East, Panhandle West and Erick South Fields of Texas and Oklahoma from Burlington Resources (Northern Burlington Railroad), Houston, Texas. Prior to closing this acquisition, a Dallas based NYSE public company offered, and Kimbrel accepted, a proposal whereby Confed Oil would acquire the Burlington properties under a newly formed partnership "CONMAG LLC" and grant Confed a fully "carried" 25% Net Profits Interest in the purchase of the properties and a fully 25% carried interest to "The Tanks" at a no costs to Confed on all drilling and completions of newly drilled wells, which were 200+/- ROR for this project was infinite. FLEI sold these interests in three separate sales, the last of which occurred in 2006.



☐ In 1997 Kimbrel purchased the **Stahl Petroleum**(Amarillo, TX) properties located in the Panhandle of Texas and consisting of 200 plus wells. The properties are located in the Panhandle East and Panhandle West Fields. KOC implemented enhanced production techniques, workovers, clean outs, and acid treatments increasing cash flow by 70% to 80%. These properties were primarily gas producing wells and were sold to Scout Energy(Dallas, TX) in 2011.

☐ In 1998 Kimbrel purchased the "**Dickie Ranch**" properties in Stephens County, Texas which were producing 105 BOPD. After some reworks the Dickie Ranch was transformed into a highly successful waterflood unit the Strawn sand. Production was ramped up in excess of 400-500BOPD, which continued for several years. This asset was monetized in 2010.

☐ In 2005 KOC acquired "**The Baker Ranch**" properties from **Whiting Petroleum Corporation**(Denver, CO), a public company, in Edwards County Texas containing 25 Gas wells. KOC improved gathering systems, compression facilities and drilled several development wells. These were monetized to Saga Petroleum(Denver, CO) in May 2008 when Kimbrel believed Oil & Gas prices were inflated.

☐ In 2003 KOC purchased **Wildcat Cement Company** properties in the same area as the Stahl properties. Both the "Stahl" and "Wildcat" purchases contained in excess of 300 wells. Since that time KOC has acquired numerous smaller assets in the same area. Improved the pipeline and compression facilities which resulted in an expedited payout.

☐ In 2010 the KOC and KOG(Kimbrel Oil & Gas, owned by Kimbrel's son and daughter) acquired the Texas legacy properties of **Cabot Oil & Gas**(Houston). These properties are located in Carson and Gray Counties, Texas in the Panhandle Gas Field and consist of 100 plus wells in 45 leases covering 20,000 acres with multiple upside and various PUD locations.

☐ In 2011 KOC purchased in a three way transaction with **Devon Energy** and **Talon Oil & Gas** the "Hoover Field" in Gray County Texas. KOC improved pumping techniques, acidized two wells, improved compression and moved gas contract to DCP. Enhanced techniques improved these assets over 500%. KOC assigned it's 50% to KOG giving them 100% ownership. KOG was then responsible for the development of this asset.

☐ In 2014 KOC acquired a 120 well production package in Gray County, Texas, from **Travelers Oil Company**. A partnership was created with Scout Energy prior to the closing of these assets. KOC later sold its remaining interest to Scout, giving them 100% ownership.

☐ Mike attended Casper College in Casper, Wyoming and East Illinois University, OCC Campus. Mr. Kimbrel has served on the Board of Directors for various non-profit and charitable entities including as a member of the Board of Directors of Energy Advocates for whom he traveled the country making speeches designed to engage the audience, mainly through Q&A. This resulted in forming relationships with the audience whereby educating business owners and civic organizations on the benefits derived in the country from the efforts of the Independent Energy Producers. Mike Kimbrel is 71, the father of three and in good health. Mr. Kimbrel stays active in the civic affairs. He is, or has been, active with organizations serving the needy requiring medical and counseling resources otherwise not available, summer camps for children and Tulsa's First Methodist Church, an 8000 member church, where he served as a member of the Executive Committee, Administrative Board and the church's Finance Chair; being responsible for raising, accounting and reporting for 4 years of budgets. From 1996-2004 Mr. Kimbrel served on the Board of Directors for Shepard's Fold Ranch. Mike has also been very active with the 12&12 Treatment Facility, serving 250 clients daily of residential and out-patient services and served as Chairman of the Board from 2009-2012 and currently remains a Board Member.

☐Mr. Kimbrel, through his various entities, continues to purchase, drill and improve hundreds of proven oil and gas wells by identifying and monetizing upside potential and since 2006 this has been carried on with the inclusion of his daughter Malissa Smith, a University of Tulsa graduate, as Chief Operating Officer.