

# UNIVERSITY LANDS

## STEWARDSHIP, EDUCATION AND ENERGY

Presented by

**William R. (Billy) Murphy, Jr.**

Chief Executive Officer

February 25, 2025





“

**Texas holds embedded in its earth rocks and minerals** which now lie idle because unknown, **resources of incalculable industrial utility, of wealth and power.** Smite the earth, smite the rocks with the rod of knowledge and fountains of unstinted wealth will gush forth.

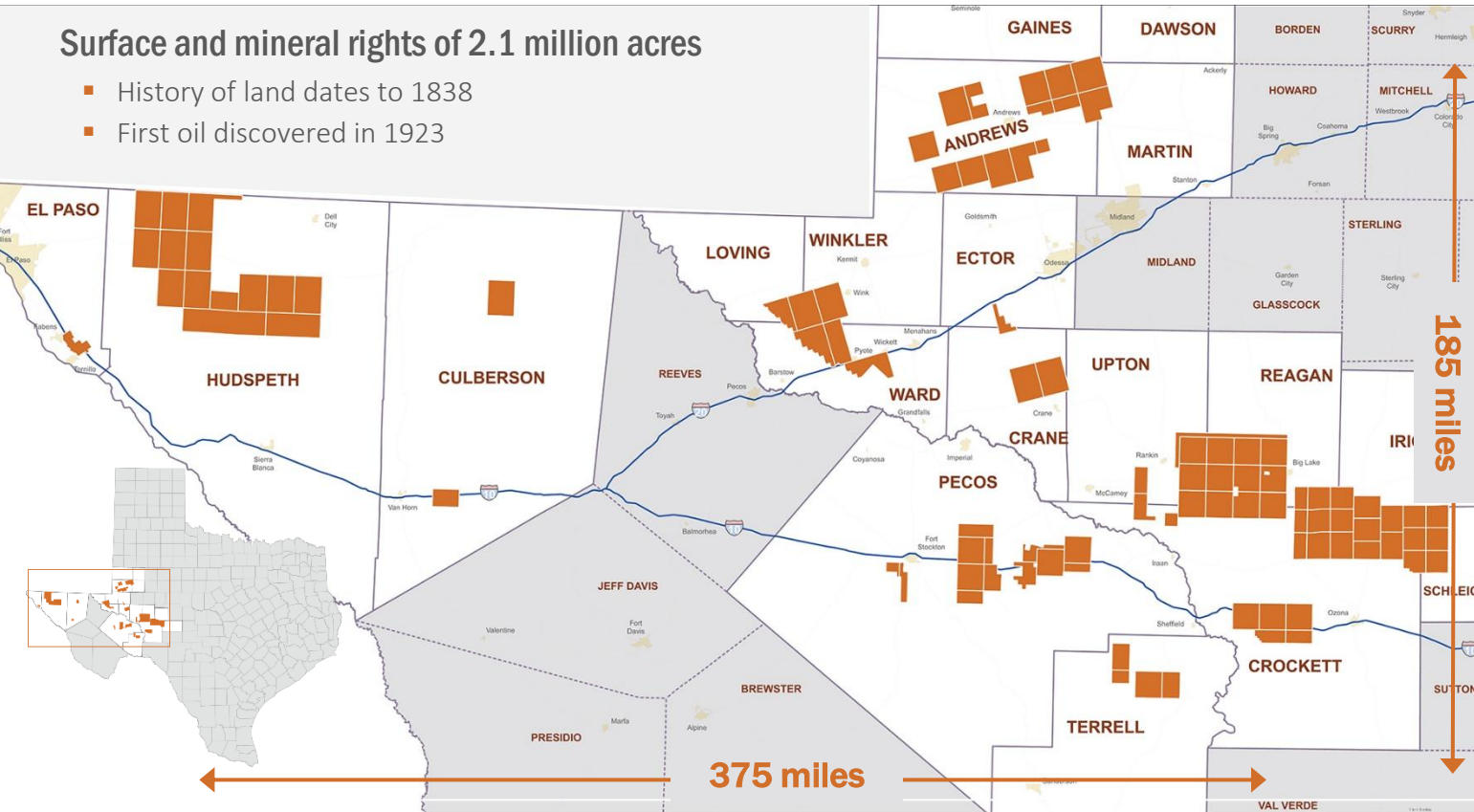
”

Ashbel Smith, M.D., first U. T. Board of Regents Chairman  
at the dedication of the University of Texas, 1881

# Permanent University Fund (PUF) Lands Overview

UNIVERSITY LANDS

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**2.1MM**

Acres of grazing lands

**1.3MM**

Acres leased for mineral development

**74,500**

Acres of renewable energy leases

**23,600**

Oil & gas wells drilled

**23,800**

Miles of pipelines & powerlines

**11,500**

Producing oil & gas wells

**20,100**

Acres of surface leases

Primary revenue driver is mineral royalty revenue.

## Surface Leases

■ Pipelines and power lines

■ Grazing and ranching

■ Renewables – wind and solar

■ Groundwater sales

■ Environmental programs

# PUF Lands Economic Impact

## Revenue (2014- 2024)

**\$12.8** BILLION  
PUF Revenue Generated

**\$867.7** MILLION  
AUF Revenue Generated

## Net Total Resource

**1.67** BILLION  
BOE Remaining

**14,630**  
Future Drilling Locations

**11,500**  
Producing Oil & Gas Wells

## FY 2024 Daily Production (59% oil)

**431,500**  
BOE Gross Per Day

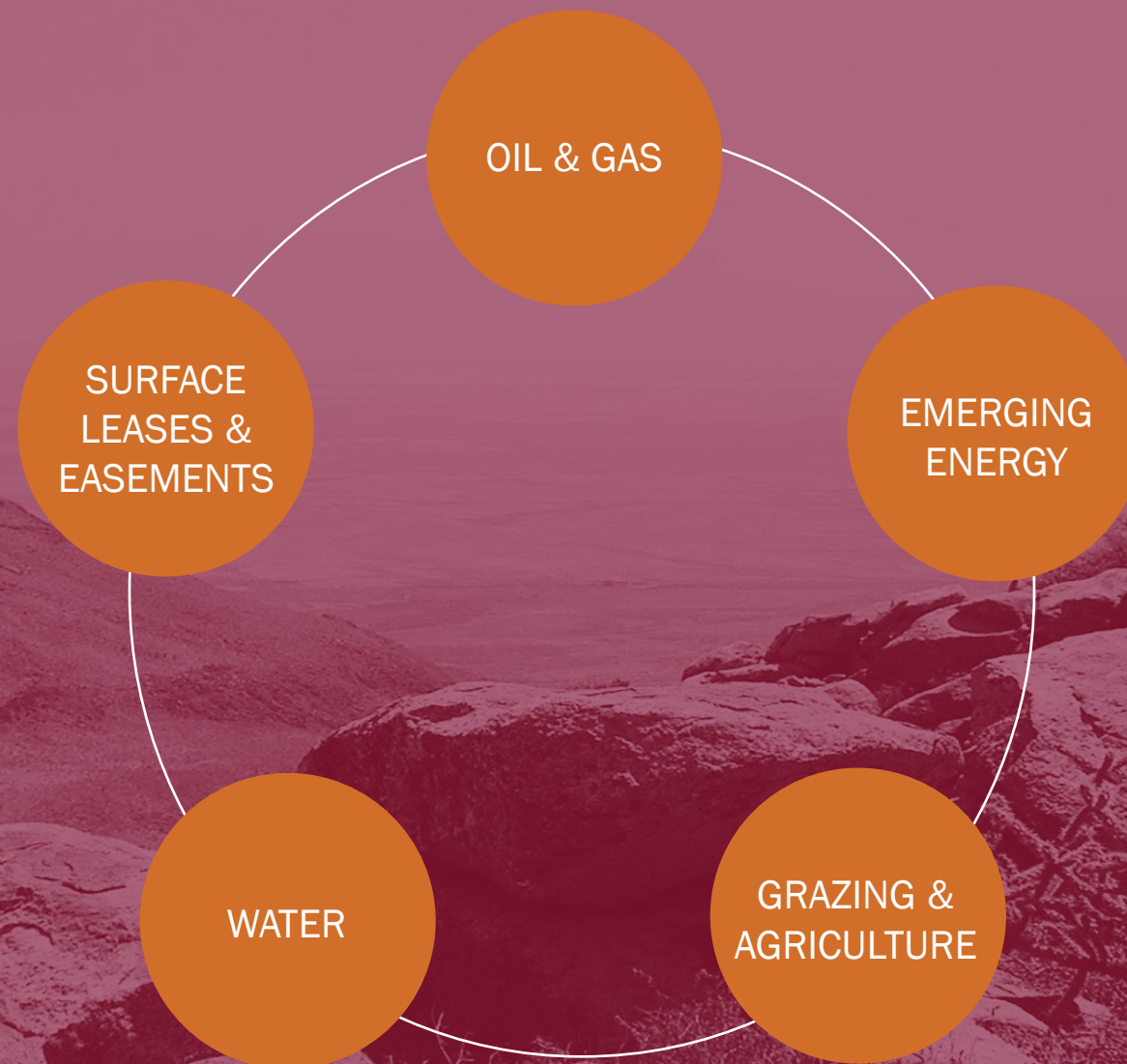
**92,400**  
BOE Net Per Day (21.4% royalty)

**99%**  
Horizontal Wells

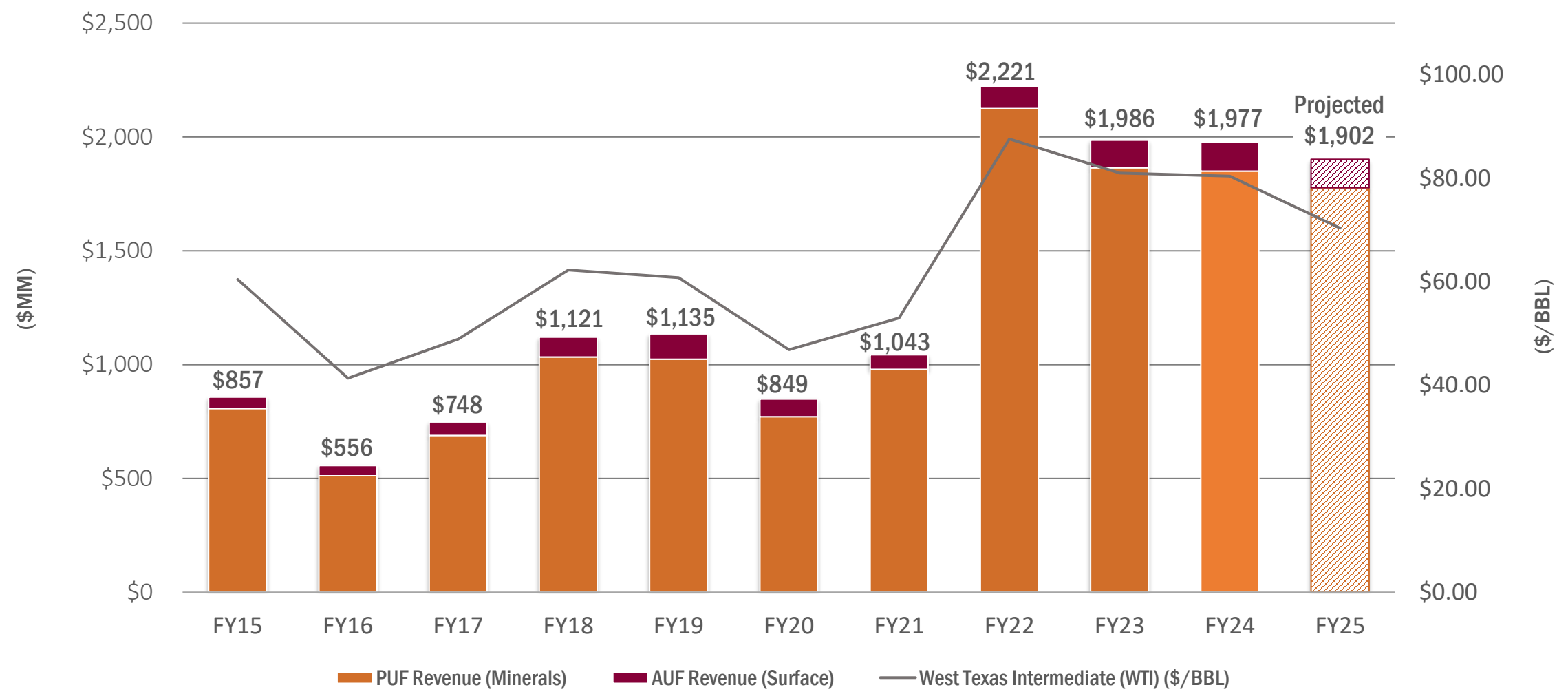
**~4.5%** Texas' oil  
produced on  
PUF Lands



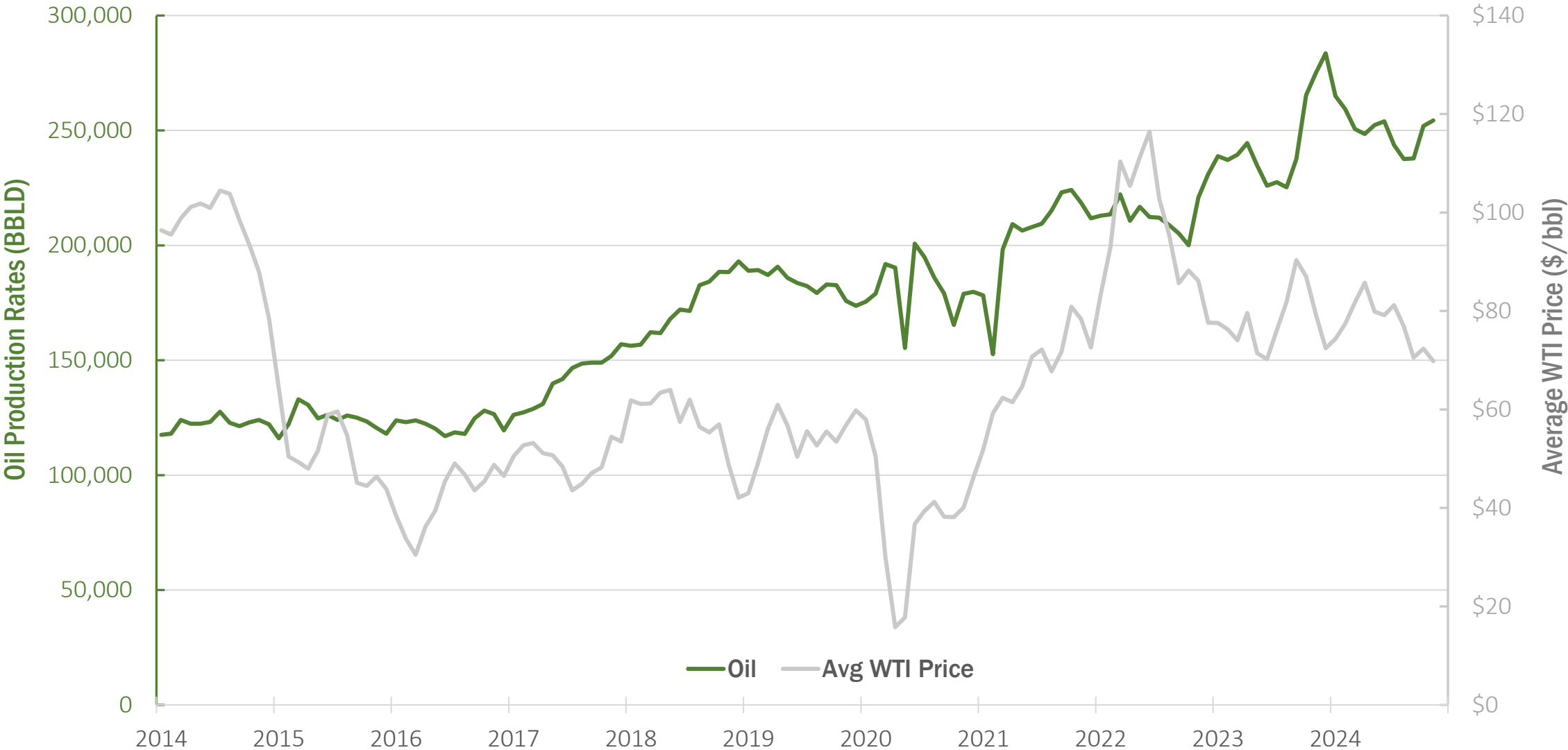
# Principal Business Lines



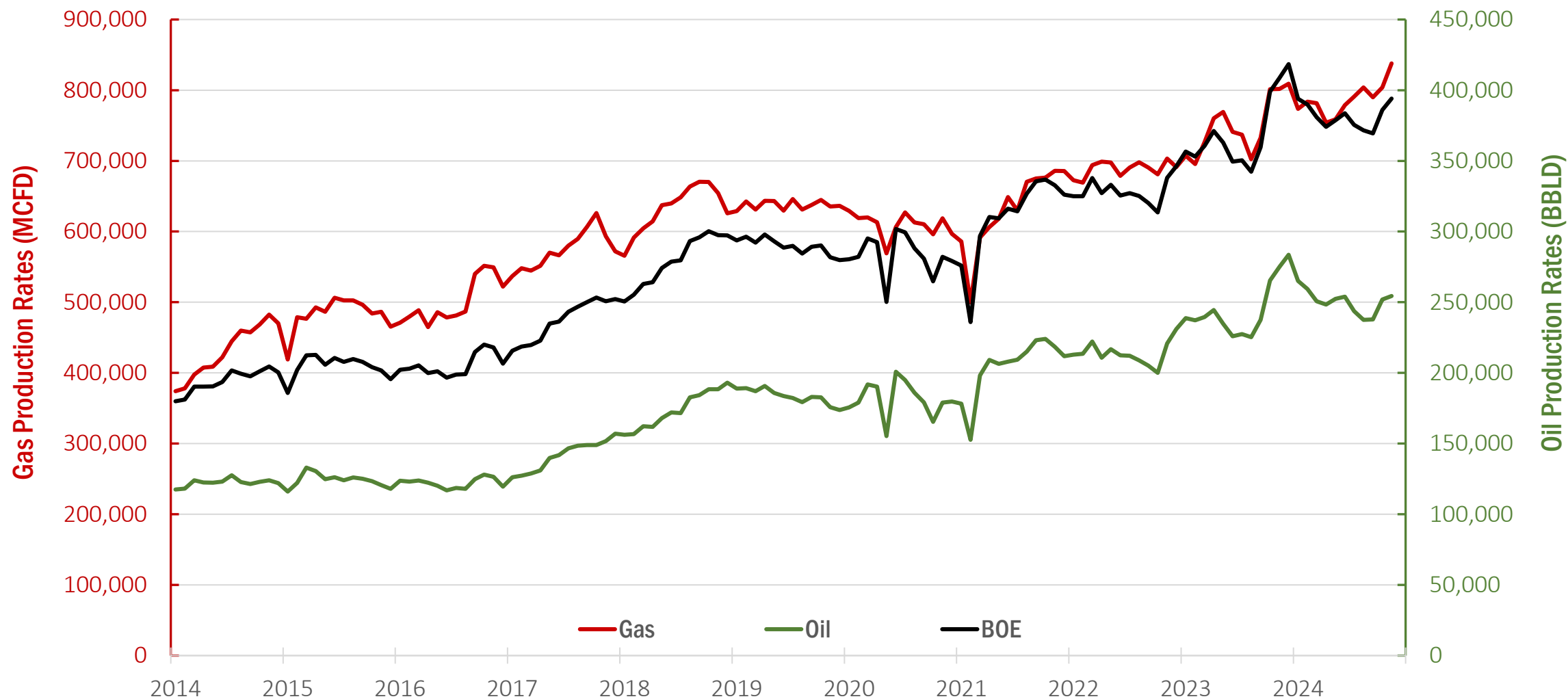
# PUF & AUF Revenue Vs. Average Oil Price



# PUF Lands Oil Production Vs. Average Oil Price



# PUF Lands Oil & Gas Production

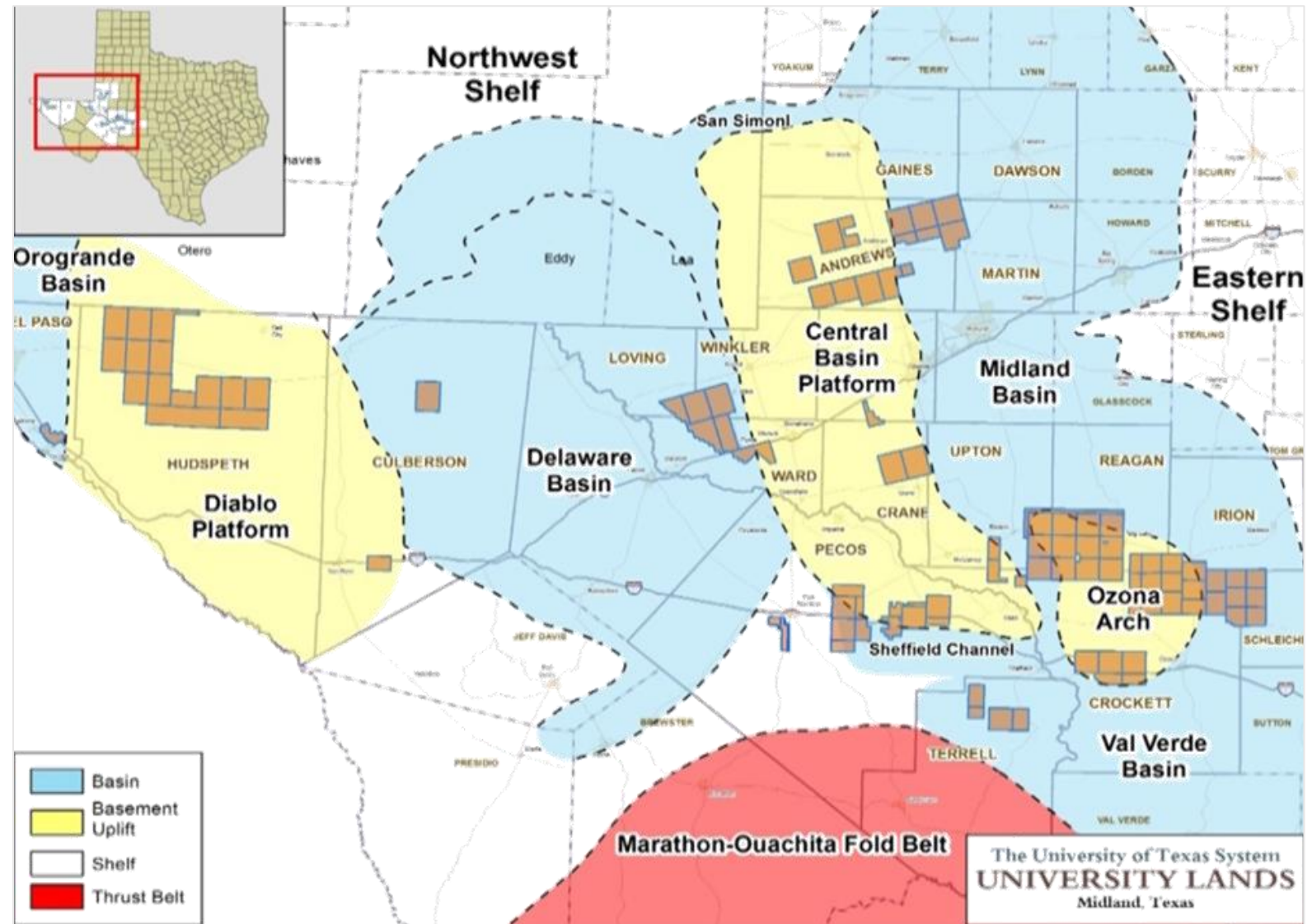




# PUF Lands Oil & Gas Resource

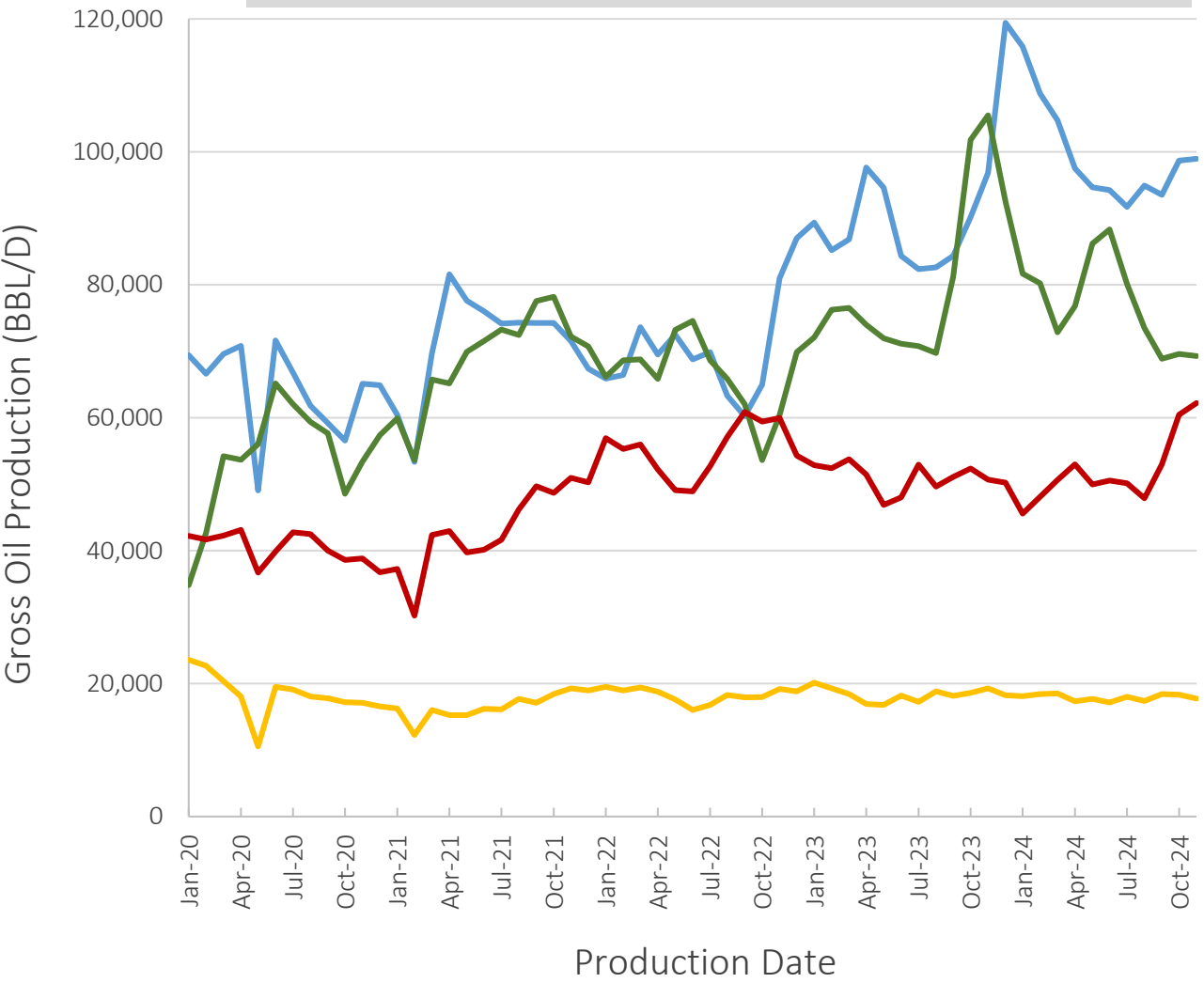
Implied  
Valuation:  
~\$15.6B PV10

Weighted: \$9.4B PV10

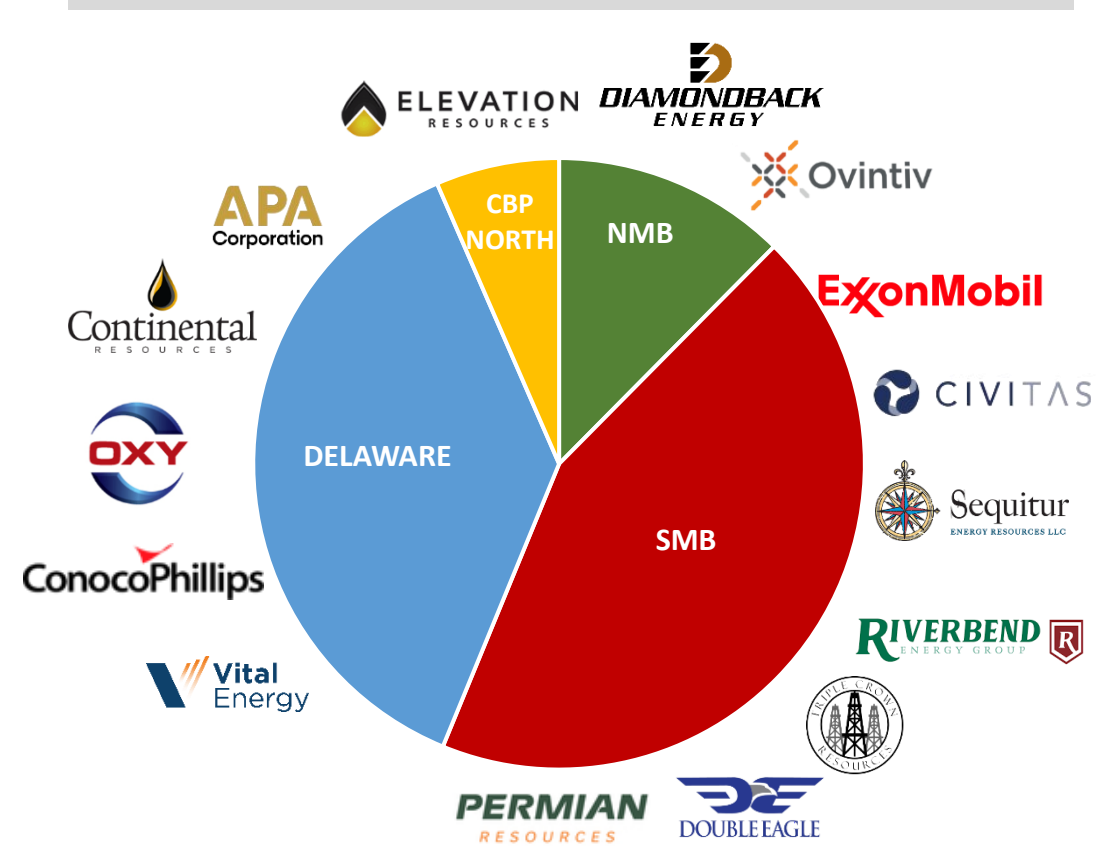


# Area Overviews – Production & Activity

Gross Oil Production (Bbl/d)



2024 Calendar Year Drilling Activity





# PUF Lands Oil & Gas Advantage

One of the largest,  
contiguous-concentrated  
acreage positions in the  
Permian Basin of West Texas

**Substantial data resources collected,  
archived, and analyzed from:**

- ~7,000+ wells drilled since 2010
- ~3,300+ of which are modern horizontal wells
- Thousands of feet of core (rock samples)
- 600,000+ acres of seismic data

**Combined expertise of UL's land, legal,  
geoscience, engineering and data  
professionals to provide:**

- Rigorous subsurface analysis
- Cutting-edge data analytics
- Proactive development strategies
- Assistance with operators' growth and economic efficiency
- Strategic contract negotiations
- Enforcing contractual and statutory rights



# Area Contract for Development (ACfD)

## What is an ACfD?

An ACfD is an outbound Contract for Development proposal generated by University Lands that contains the following elements:

- The acreage is a large contiguous block to facilitate horizontal development;
- ACfD proposal will contain a standalone drilling commitment; and
- ACfD is designed to allow for consistent and stronger development of the acreage when compared to alternatives.

## Public Access

The following items are posted on the UL website for each ACfD opportunity:

- Proposal invitation and elements of a compliant response
- Teaser
- Form agreements

ACfD materials are published to the UL website for at least 30 days.

# Area Contract for Development (ACfD)

## Elements of a Compliant Response

- Development terms & lateral footage obligations
- Bonus Amount
- Royalty Percent
- Redline of ACfD Agreement
- Financial materials and capital structure (*e.g., balance sheets, funding sources, allocations*)
- Executive team bios
- Development and operations experience and expertise in or near the area of interest
- Partners, joint operators, or other involved (or anticipated to be involved) parties
- Corporate structure
- Other consideration

## Review of Materials & Negotiation

**ACfD proposals are evaluated by UL. Considerations reviewed include but are not limited to:**

- Financial wherewithal
- Operator ability, skill, experience, technique
- Development terms, including development commitment / LFO, royalty, and bonus

# Summary of ACfD Opportunities

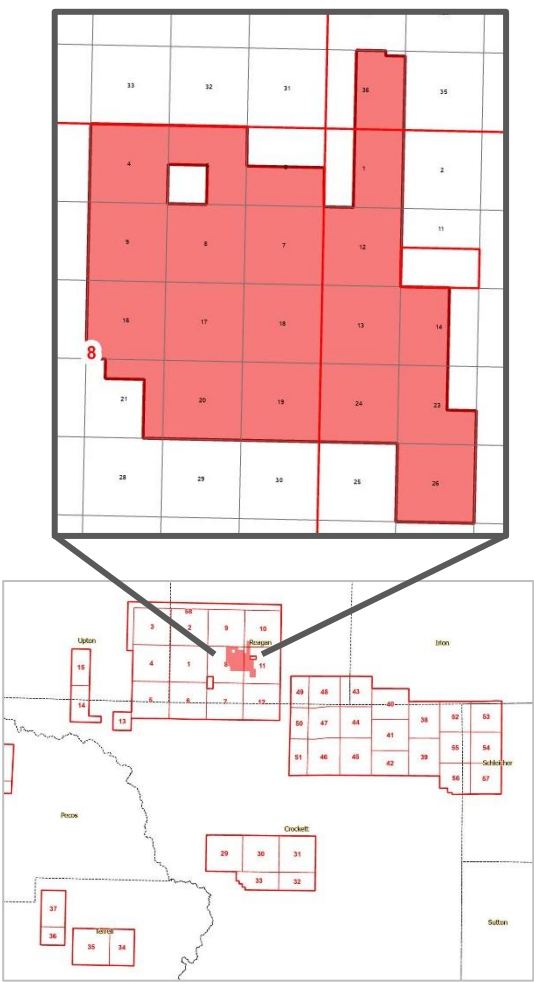
## Reagan County (Riverbend)

- ~8,500 acres
- Agreement closed Mar 2024



## Reagan County (Black Swan)

- ~11,500 acres
- Agreement closed Dec 2024



## Crane County

- ~3,200 acres
- In final negotiations with anticipated close Q1 2025





# What's Interesting Now?

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## Woodford and Barnett

- Significant interest across the Permian
- Identified potential across the PUF Lands

## Southern Midland Basin

- Increased interest and development on University Lands
- Market transactions

## In-basin use of natural gas

- Power generation
- Mutual interest in opportunities to best utilize and realize gas value

# THANK YOU

A sepia-toned photograph of a desert landscape. In the background, a line of wind turbines stands on a ridge. The foreground shows a sloping, rocky hillside. The entire image has a warm, orange-brown tint.

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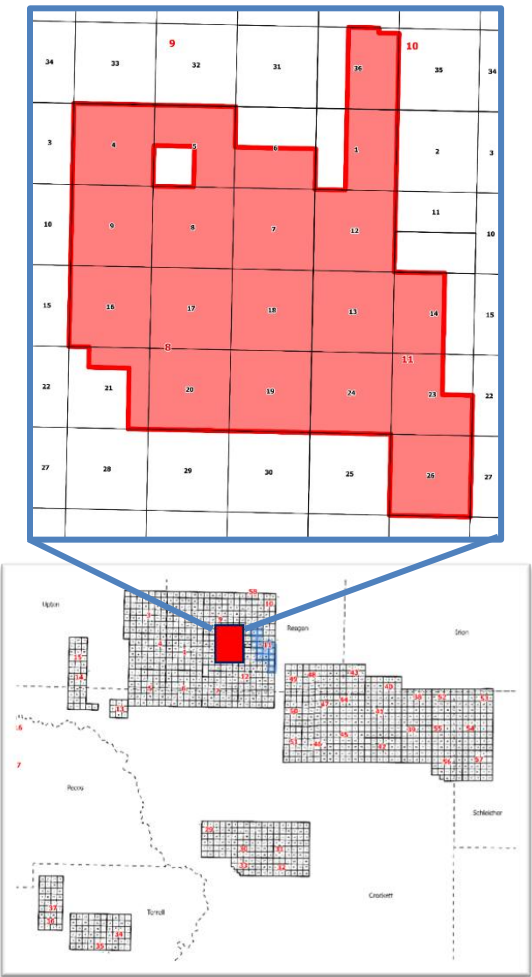
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