

## Management

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**Carrie Clark**, SVP Land & Commercial  
**Dawn Smajstrla**, VP, Chief Accounting Officer

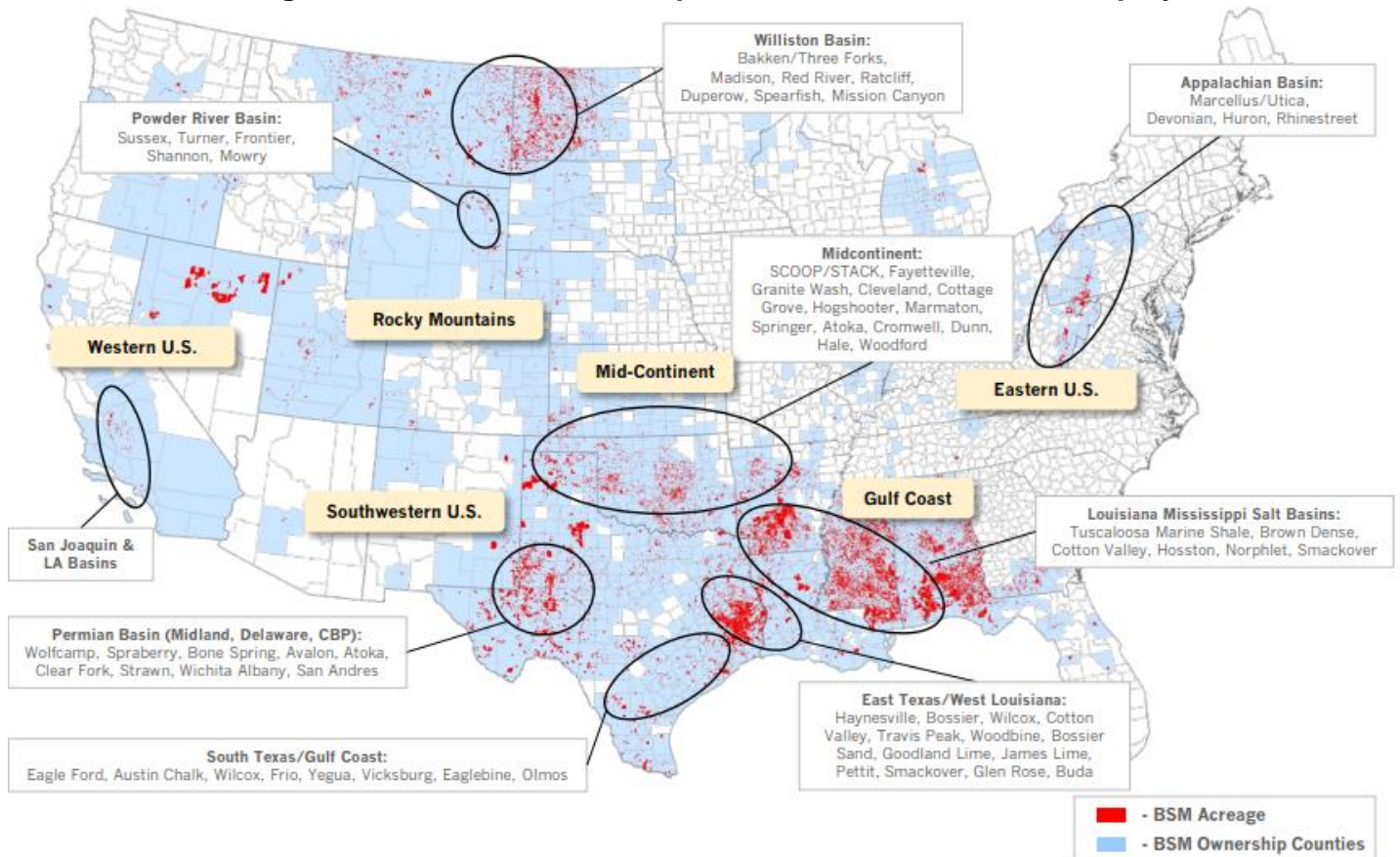
<https://blackstoneminerals.com>

## EPG Commentary by Dan Steffens

**Black Stone Minerals LP (BSM)** is a publicly traded Master Limited Partnership (MLP) in our High Yield Income Portfolio. It is one of the largest owners of oil & natural gas mineral interests in the United States. *Based on my forecast, 2024 cash distributions should total \$1.90/unit for annualized yield of ~11.5% based on the unit price as of the date of this report.*

*The Company has a pristine balance sheet (no interest bearing debt) and ~60% of 2024 natural gas is hedged at \$3.55/MMBtu.*

## Black Stone has significant mineral ownership in the most active resource plays in the U.S.



**Black Stone's 2024 production mix is forecast to be approximately 76% natural gas and NGLs.** Based on my 2024 forecast, the Company's revenues will be evenly split between oil and gas this year due to much higher oil prices. I have increased the oil prices and lowered the natural gas prices used in my forecast/valuation models as shown on the top of the next page. Black Stone's active hedging program has significantly increased their realized natural gas prices in 2023 and early 2024. BSM was paid \$82.7 million in cash settlement on hedges during 2023.

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Updated	Oil & Gas Prices used in Forecast Models					
4/1/2024	2023					2024
	Q1	Q2	Q3	Q4	YEAR	YEAR
	Actuals	Actual	Actual	Actual	Actual	Initial Forecast
WTI Oil	\$ 76.11	\$ 73.66	\$ 82.32	\$ 78.32	\$ 77.60	\$ 80.00
2024 by Qtr	\$ 77.00	\$ 82.50	\$ 85.00	\$ 85.00	\$ 82.38	
HH Gas	\$ 2.72	\$ 2.32	\$ 2.66	\$ 2.88	\$ 2.65	\$ 2.50
2024 by Qtr	\$ 2.00	\$ 1.75	\$ 2.25	\$ 2.50	\$ 2.13	

Black Stone has a strategic position in the Haynesville Shale play in Louisiana and Texas. Their Haynesville and South Texas operators have direct access to the LNG export facilities on the Gulf Coast.

**Shelby Trough Update:** As announced on December 22, 2023, BSM received notice that Aethon was exercising the “time-out” provisions under its joint exploration agreements with the Company in Angelina and San Augustine counties in East Texas. When natural-gas prices fall below specified thresholds, Aethon may elect to temporarily suspend its drilling obligations for up to nine consecutive months and a maximum of 18 total months in any 48-month period. Aethon has not previously invoked the time-out provisions under the agreements.

**Management Comments:** *“The time-out provisions apply only to drilling obligations and associated development activity occurring after December 2023. Based on ongoing discussions with Aethon, we do not expect material changes for wells on which drilling operations had begun prior to the invocation of the time-out in December 2023. We continue working closely with Aethon to finalize development plans going forward and assess the effect of the temporary suspension of drilling obligations and any potential longer-term impacts.”*

**BSM is a Master Limited Partnership (MLP), so it is best suited for a taxable account since a portion of its cash distributions are tax deferred.** If you own an MLP in an IRA there are some reporting requirements for Federal income taxes that you should be aware of. Plus, I never recommend holding a tax shelter in a tax shelter.

My valuation has been lowered due to current low natural gas prices. Market forces are at work to balance the U.S. natural gas market. I do believe that U.S. natural gas prices will move back over \$2.50/MMBtu by Q4 2024, primarily due to lower U.S. production and a significant increase in U.S. LNG export capacity coming online. The long-term outlook for U.S. natural gas prices is bullish.

**My Fair Value Estimate for BSM is \$17.25/unit**

Compares to TipRanks’ Price Target of \$18.50

**Disclosure:** I do not have a position in BSM. I do not intend on buying or selling any shales in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

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## Company Overview

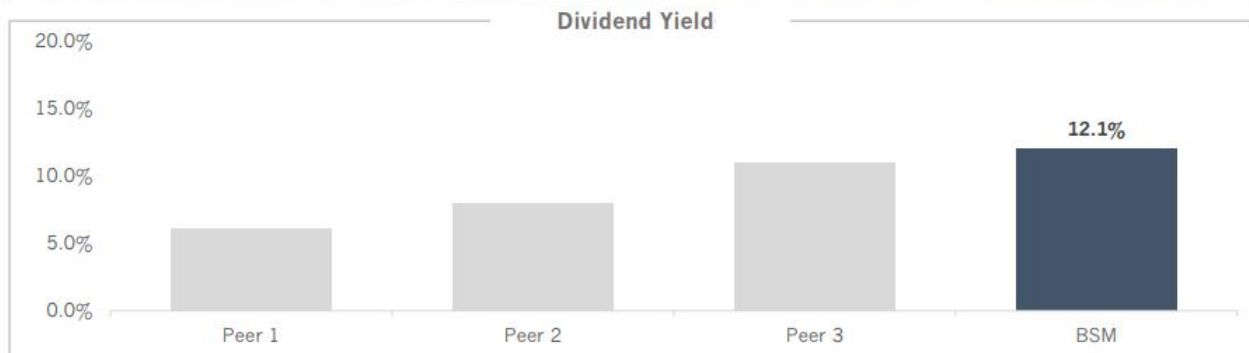
**Black Stone Minerals, L.P. (NYSE: BSM)** is one of the largest owners and managers of oil and natural gas mineral interests in the United States. Its principal business is maximizing the value of the Partnership's existing mineral and royalty assets through active management and expanding its asset base through acquisitions of additional mineral and royalty interests. Black Stone maximizes value through marketing its mineral assets for lease, creatively structuring the terms on those leases to encourage and accelerate drilling activity, and selectively participating alongside its lessees on a working interest basis.

Black Stone's primary business objective is to grow reserves, production, and cash generated from operations over the long term, while paying, to the extent practicable, a growing quarterly distribution to its unitholders. BSM is a publicly traded Delaware **Master Limited Partnership (MLP)** formed on September 16, 2014, which is headquartered in Houston, TX.

## BSM is an Attractive Investment



### BSM Provides an Appealing Dividend Yield Compared to its Peers...



### ...and a Clean Balance Sheet with Ample Liquidity



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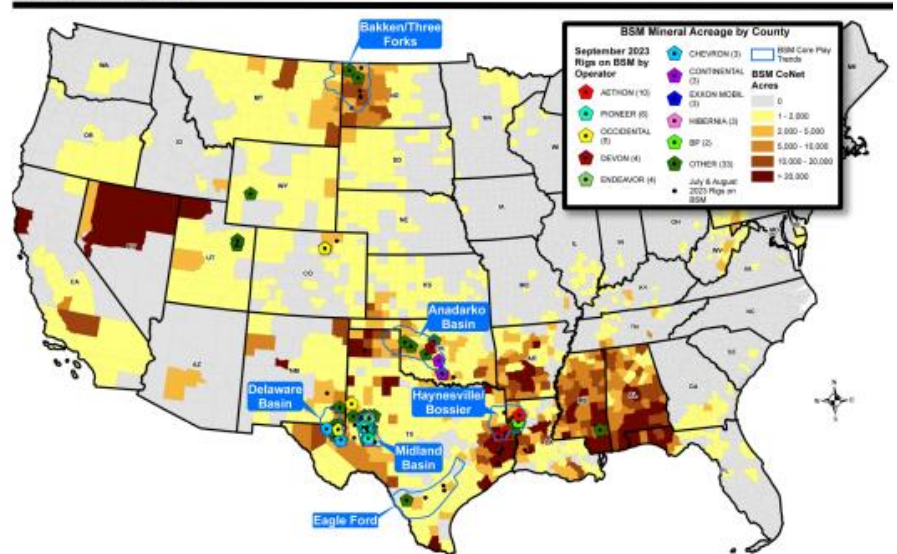
## Black Stone Minerals at a Glance



>7 Million net acre mineral and royalty asset base spanning all major basins with ~11% of US horizontal permits in Q4'23

- ▲ Pure-play oil and gas mineral and royalty owner in the United States with over 20 million mineral and royalty acres (7.4 million net) with interests in 41 states
- ▲ Concentrated positions in the Permian, Haynesville, and Bakken
- ▲ Diversified asset base well-positioned to benefit from increased activity
- ▲ Strategic focus on attracting development capital to existing acreage

### BSM Footprint

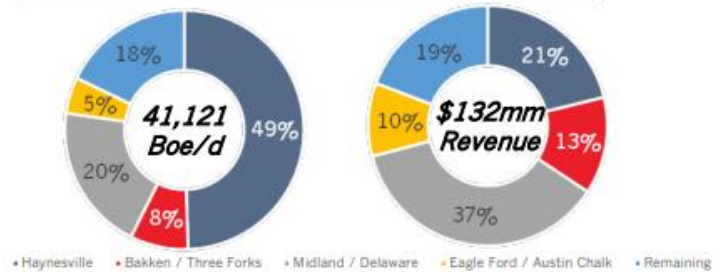


### Key Statistics

(in millions, except per share metrics)

Share Price (as of 12/31/23)	\$15.96
Total Common Units (as of 12/31/23) <sup>(1)</sup>	210.0
Market Cap (as of 12/31/23)	\$3,351
Net Debt / Liquidity <sup>(2)</sup>	\$(70) / \$445
Distribution Yield	11.90%
4Q'23 Net Income	\$147.6
4Q'23 Adjusted EBITDA	\$125.5
4Q'23 Distribution Per Unit	\$0.475

### 4Q'23 Production and Oil and Gas Revenue



## Fourth Quarter 2023 Highlights

- Mineral and royalty production for the fourth quarter of 2023 equaled 38.9 MBoe/d, a decrease of 3% over the prior quarter; **total production, including working interest volumes, was 41.1 MBoe/d for the quarter**
- Net income for the quarter was \$141.6 million. Adjusted EBITDA for the quarter totaled \$125.5 million
- Distributable cash flow was \$119.1 million for the fourth quarter, which represents a 4% decrease relative to the third quarter of 2023, making the seventh consecutive quarter above \$100 million
- **Black Stone announced a distribution of \$0.475 per unit** with respect to the fourth quarter of 2023. Distribution coverage for all units was 1.19x
- Total debt at the end of the quarter was zero; as of February 16, 2024, total debt remained at zero with \$102.9 million of cash

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## YE'23 Results vs. Guidance



*BSM delivered strong results during 2023 through active management and conservative financial policies*

	As Reported 4Q'23	As Reported YE'23	2023 Guidance
Total Daily Production (Mboe/d)	41.1	39.8	37.0 - 39.0
Lease Bonus (\$MM)	\$3.8	\$12.5	\$10.0 - \$12.0
Lease Operating Expenses (\$MM)	\$3.2	\$11.4	\$11.0 - \$12.0
Production Costs (as a % of Revenues)	11.3%	11.7%	10.0% - 12.0%
Cash G&A (\$MM)	\$10.1	\$40.6	\$42.0 - 44.0
Non-Cash G&A (\$MM)	\$2.4	\$10.9	\$11.0 - \$13.0

### Full Year 2023 Financial and Operational Highlights

- Mineral and royalty volumes in 2023 increased 9% over the prior year to average 37.4 MBoe/d; average full year 2023 production was 39.8 MBoe/d
- Reported 2023 net income and Adjusted EBITDA of \$422.5 million and \$474.7 million, respectively
- Increased cash distributions by 9% from \$1.745 per unit attributable to the full year 2022 to \$1.90 per unit attributable to the full year 2023
- Eliminated outstanding debt during 2023

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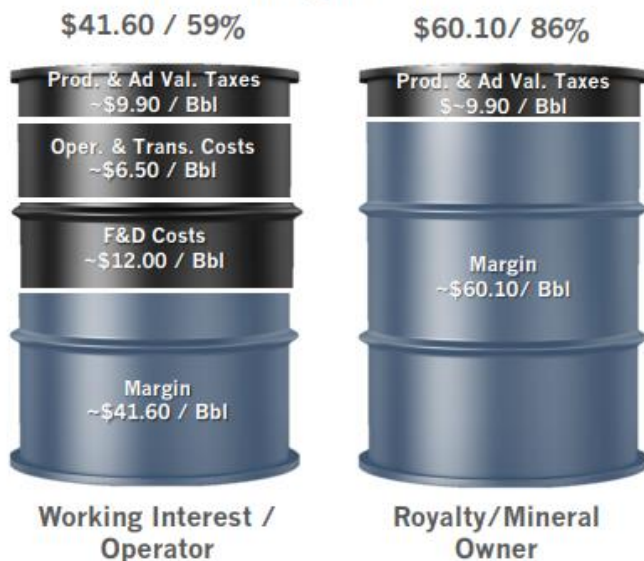
## The Economic Benefit of Minerals



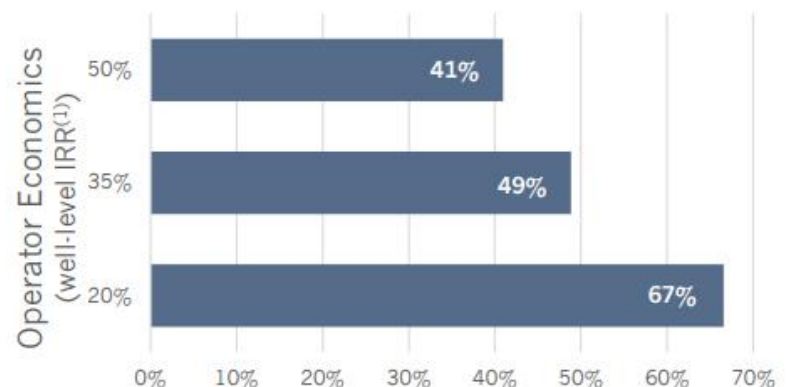
- ▲ Oil and gas exposure with no operating cost or capital spending requirements
- ▲ Direct benefit from technology advances to enhance recovery and well economics
- ▲ Represents perpetual call option on future oil & gas development activity
- ▲ Scale facilitates opportunities to partner with operators to initiate or accelerate drilling

## Comparative Well Economics

### Illustrative Margin (Assuming \$70 Bbl)



### % of PV10 to Royalty Owner



*“We finished the year with a strong quarter. We were able to maintain our highest distribution without any outstanding debt despite a challenging natural gas market. We expect headwinds in 2024 as natural gas prices remain depressed, but we remain encouraged by the long-term prospects for liquefied natural gas export growth and an asset base with significant inventory life that will benefit unitholders through the next decade,”* – CEO and Chairman of Blackstone Minerals, Thomas L. Carter, Jr.

## Quarterly Financial and Operating Results

### Production

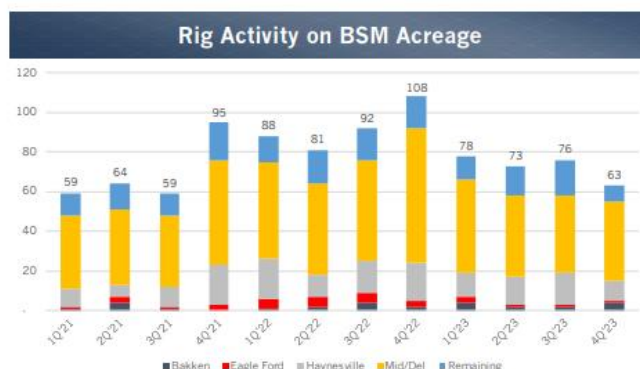
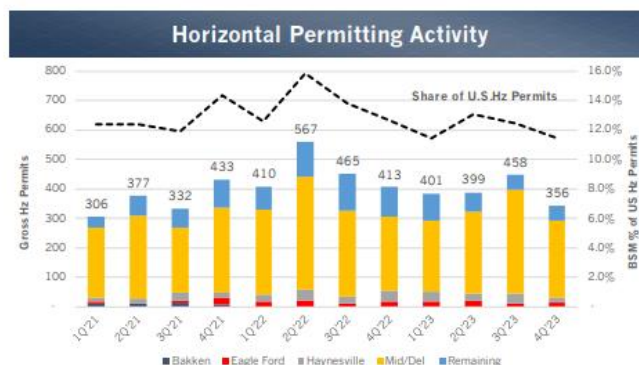
- Black Stone Minerals reported mineral and royalty volumes of 38.9 MBoe/d (73% natural gas) for the fourth quarter of 2023, compared to 40.3 MBoe/d for the third quarter of 2023. Mineral and royalty production was 40.0 MBoe/d for the fourth quarter of 2022. Mineral and royalty production in the fourth quarter of 2023 benefited from new wells coming online in the Permian and Shelby Trough.
- Working interest production for the fourth quarter of 2023 was 2.2 MBoe/d, a decrease of 4% from the 2.3 MBoe/d for the quarter ended September 30, 2023, and an increase of 5% from the 2.1 MBoe/d for the quarter ended December 31, 2022. The continued overall decline in working interest production volumes is consistent with the Company's decision to farm out its working-interest participation to third-party capital providers.
- Total reported production averaged 41.1 MBoe/d (95% mineral and royalty, 73% natural gas) for the fourth quarter of 2023. Average total production was 42.6 MBoe/d and 42.1 MBoe/d for the quarters ended September 30, 2023 and December 31, 2022, respectively.

## Operational Activity Remains Resolute



### Commentary

- Black Stone's diverse asset footprint helps moderate volatility of industry activity
- Horizontal permitting has started to slow compared to 2022; however, net well additions remain strong in in Q3 and Q4'23
- BSM's share of horizontal US permits remained in line with historical averages
- Rig activity on BSM acreage has slowed in recent months in response to lower gas prices



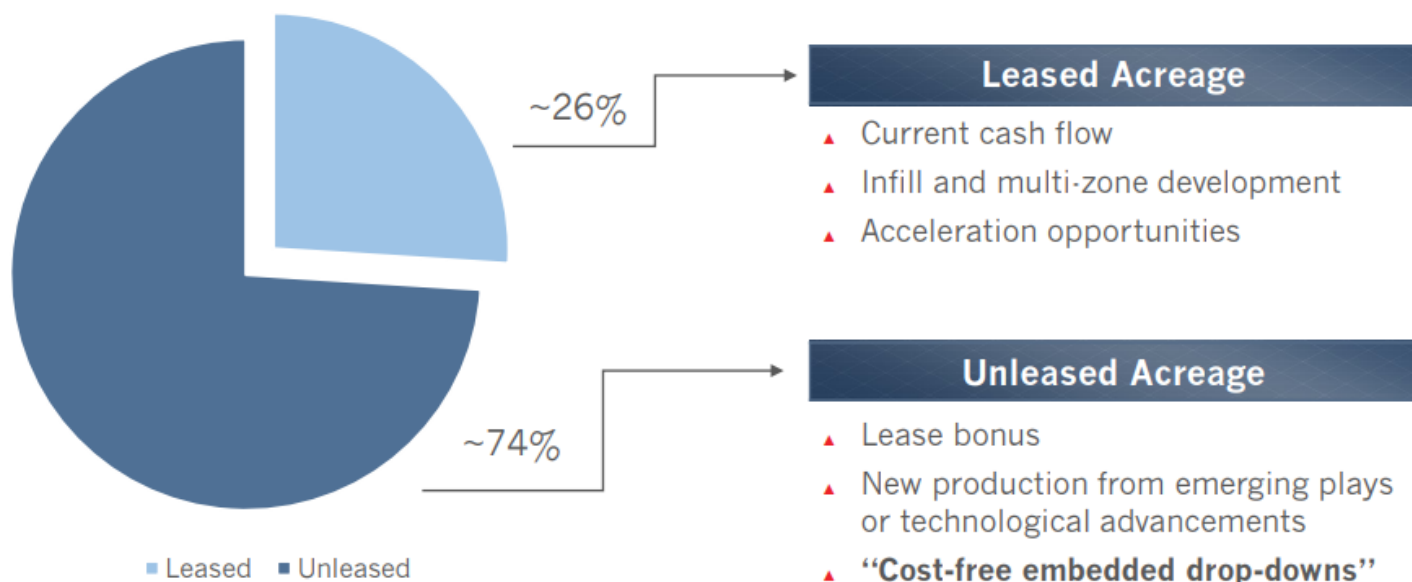
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## Active Management



### ▲ 20 million gross acres (7.4 million net) of opportunity leads to organic growth with no incremental capital requirements

- ▲ Black Stone's team of landmen, engineers and geologists actively promote its acreage to industry operators
- ▲ Focus on active management with Aethon Energy has led to a notable increase in production from the Shelby Trough Haynesville/Bossier acreage in Angelina County and successful programs with multiple operators in the Austin Chalk



## Realized Prices, Revenues, and Net Income

- The Company's average realized price per Boe, excluding the effect of derivative settlements, was \$35.03 for the quarter ended December 31, 2023. This is an increase of 2% from \$34.30 per Boe for the third quarter of 2023 and a 31% decrease compared to \$50.67 for the fourth quarter of 2022.
- Black Stone reported oil and gas revenue of \$132.6 million (60% oil and condensate) for the fourth quarter of 2023, a decrease of 1% from \$134.5 million in the third quarter of 2023. Oil and gas revenue in the fourth quarter of 2022 was \$196.2 million.



- The Company reported a gain on commodity derivative instruments of \$54.5 million for the fourth quarter of 2023, composed of a \$17.1 million gain from realized settlements and a non-cash \$37.4 million unrealized gain due to the change in value of Black Stone's derivative positions during the quarter. Black Stone reported a loss on commodity derivative instruments of \$26.9 million and a gain of \$31.4 million for the quarters ended September 30, 2023 and December 31, 2022, respectively.
- Lease bonus and other income was \$3.8 million for the fourth quarter of 2023, primarily related to leasing activity in the Granite Wash, Gulf Coast, and Haynesville plays. Lease bonus and other income for the quarters ended September 30, 2023 and December 31, 2022 was \$2.2 million and \$2.8 million, respectively.
- There was no impairment for the quarters ended December 31, 2023, September 30, 2023, and December 31, 2022. The Company reported net income of \$147.6 million for the quarter ended December 31, 2023, compared to net income of \$62.1 million in the preceding quarter. For the quarter ended December 31, 2022, net income was \$183.2 million.

## Adjusted EBITDA and Distributable Cash Flow

- Adjusted EBITDA for the fourth quarter of 2023 was \$125.5 million, which compares to \$130.0 million in the third quarter of 2023 and \$131.7 million in the fourth quarter of 2022. Distributable cash flow for the quarter ended December 31, 2023 was \$119.1 million. For the quarters ended September 30, 2023 and December 31, 2022, Distributable cash flow was \$124.4 million and \$125.3 million, respectively.

## 2023 Proved Reserves

- Estimated proved oil and natural gas reserves at year-end 2023 were 64.5 MMBoe, an increase of 1% from 64.1 MMBoe at year-end 2022, and were approximately 70% natural gas and 89% proved developed producing. **The standardized measure of discounted future net cash flows was \$1,019.5 million at the end of 2023**, as compared to \$1,665.0 million at year-end 2022.
- Netherland, Sewell and Associates, Inc., an independent, third-party petroleum engineering firm, evaluated Black Stone Minerals' estimate of its proved reserves and PV-10 at December 31, 2023. These estimates were prepared using reference prices of \$78.21 per barrel of oil and \$2.64 per MMBTU of natural gas in accordance with the applicable rules of the Securities and Exchange Commission (as compared to prompt month prices of \$76.81 per barrel of oil and \$1.61 per MMBTU of natural gas as of February 16, 2024). These prices were adjusted for quality and market differentials, transportation fees, and, in the case of natural gas, the value of natural gas liquids. A reconciliation of proved reserves is presented in the summary financial tables following this press release.

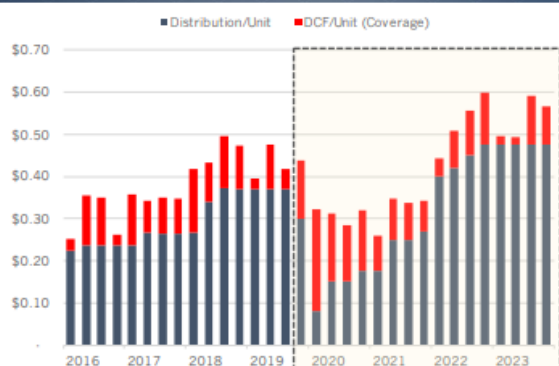
## Financial Position and Activities

- As of December 31, 2023, Black Stone Minerals had \$70.3 million in cash, with nothing drawn under its credit facility. The Company's borrowing base at December 31, 2023 was \$580 million, and total commitments under the credit facility were \$375 million. The Company's next regularly scheduled borrowing base redetermination is set for April 2024. Black Stone is in compliance with all financial covenants associated with its credit facility.
- As of February 16, 2024, no debt was outstanding under the credit facility and the Company had \$102.9 million in cash.
- During the fourth quarter of 2023, the Company made no repurchases of units under the Board-approved \$150 million unit repurchase program.

## BSM Maintains a Strong Balance Sheet



### Distribution Coverage/Unit



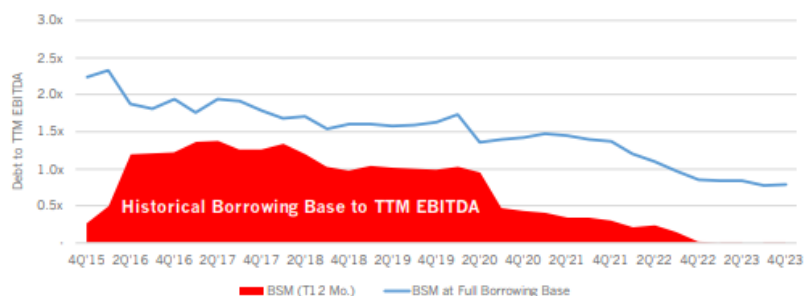
### Current Balance Sheet Position

- Credit Facility undrawn; no other debt in capital structure
- BSM increased its RBL to \$580 million which is ~1.20x TTM EBITDA
- \$300 million convertible preferred equity outstanding; no maturity date
- Operating model has low fixed cash costs
  - ~\$63 million of cash costs (cash G&A + lease operating expenses)
  - Production costs and taxes average ~11% of oil and gas revenues
- BSM employs a conservative hedge strategy primarily with swaps designed to lock-in pricing to support distributable cash flow and distributions over the next 12 to 24 months

### Outstanding Debt



### BSM has maintained low leverage throughout the cycles



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## Fourth Quarter 2023 Distributions

- As previously announced, the Board approved a cash distribution of \$0.475 for each common unit attributable to the fourth quarter of 2023. The quarterly distribution coverage ratio attributable to the fourth quarter of 2023 was approximately 1.19x. These distributions will be paid on February 23, 2024 to unitholders of record as of the close of business on February 16, 2024.

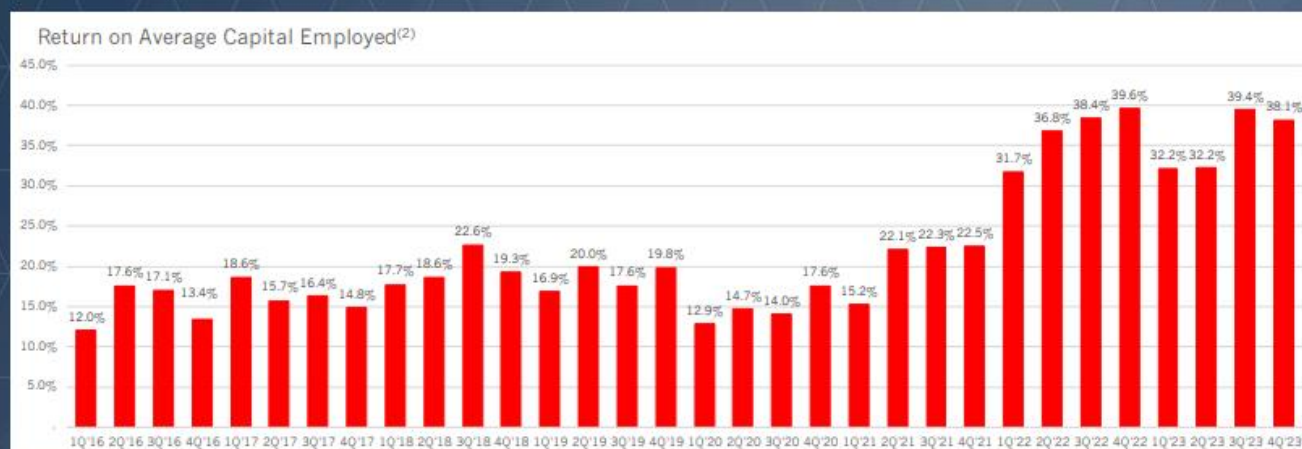
## Generating Returns to Shareholders



### ▲ Long history of returning cash to equity holders

- ▲ Distribution yield supported by coverage
- ▲ ~\$4.7 billion returned to investors through distributions over the past 25 years
- ▲ ~3.4x return on invested capital to date

### ▲ Consistent return performance across commodity cycles



## Activity Update

### Rig Activity

- As of December 31, 2023, Black Stone had 63 rigs operating across its acreage position, a 17% decrease from rig activity on the Company's acreage as of September 30, 2023 and 42% lower as compared to the 108 rigs operating on the Company's acreage as of December 31, 2022. The decrease is primarily driven by reduced rig activity in the Haynesville Shale Gas play and the Permian Basin.

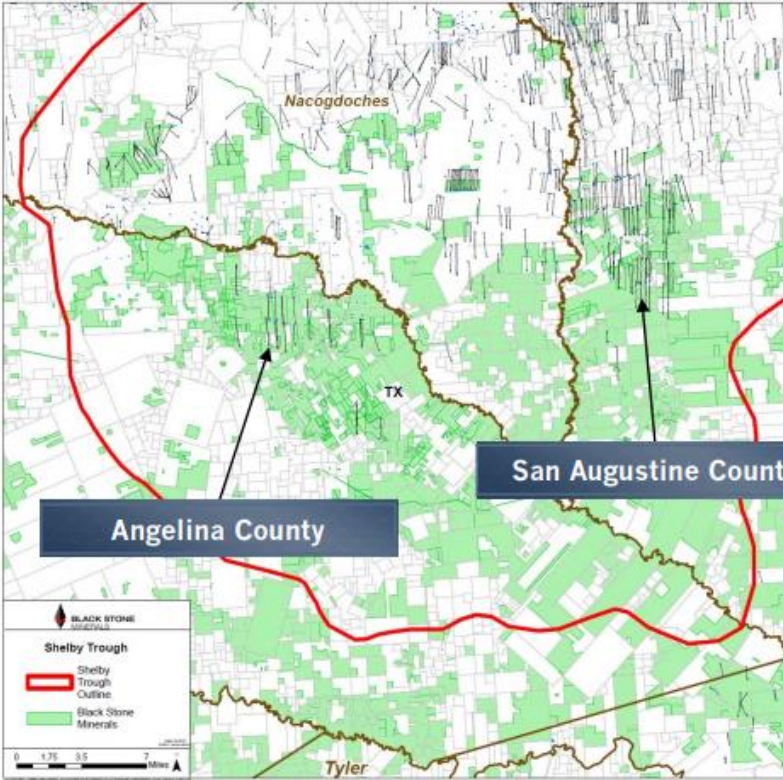
### Shelby Trough Development Update

- A significant portion of Shelby Trough development in recent years has been performed by Aethon Energy ("Aethon") under the Company's two Joint Exploration Agreements ("JEA" or "JEAs") with Aethon, one JEA each covering development in San Augustine County, Texas, and the other in Angelina County, Texas.
- As announced on December 22, 2023, BSM received notice that Aethon was exercising the "time-out" provisions under its joint exploration agreements with the Company in Angelina and San Augustine counties in East Texas. When natural-gas prices fall below specified thresholds, Aethon may elect to temporarily suspend its drilling obligations for up to nine consecutive months and a maximum of 18 total months in any 48-month period. Aethon has not previously invoked the time-out provisions under the agreements.
- The time-out provisions apply only to drilling obligations and associated development activity occurring after December 2023. Based on ongoing discussions with Aethon, we do not expect material changes for wells on which drilling operations had begun prior to the invocation of the time-out in December 2023. We continue working closely with Aethon to finalize development plans going forward and assess the effect of the temporary suspension of drilling obligations and any potential longer-term impacts.

## Shelby Trough Active Management



- ▲ **2014:** The southern portion of the Texas Haynesville/Bossier (Shelby Trough area) was relatively undeveloped; BSM invested with XTO to initiate activity in San Augustine County and then structured development agreements with XTO and BP
- ▲ **2019:** XTO and BP ceased development of the area, primarily due to low natural gas prices
- ▲ **2020:** Black Stone remarketed the BP's former acreage and signed the first agreement with Aethon to restart the development program with 4 wells per year increasing to 15 wells per year
- ▲ **2021:** Black Stone and XTO partitioned certain San Augustine working interest acreage, paving the way for a second development program with Aethon in San Augustine County for 5 wells per year increasing to 12 wells per year
- ▲ **Current:** Due to the challenging natural gas market, Aethon elected to enact the "Time-Out" provision under the JEA. However, BSM expects Aethon to continue operations on ~30 wells in various development stages<sup>(1)</sup>



### Austin Chalk Update

- The Company owns a large mineral position in the Brookeland Austin Chalk play in East Texas.
- Black Stone has entered into agreements with multiple operators to drill wells in the areas of the Austin Chalk in East Texas, where the Company has significant acreage positions. The results of the test program in the Brookeland Field demonstrated that modern completion technology has the potential to improve production rates and increase reserves when compared to the vintage, unstimulated wells in the Austin Chalk formation. To date, 29 wells with modern completions are now producing in the field.

## Acquisition Activity

- Black Stone's commercial strategy since 2021 has been focused on attracting capital and securing drilling commitments on minerals already owned by the Company. Management made the decision to expand this growth strategy by adding to the Company's mineral portfolio through strategic, targeted efforts primarily in the Gulf Coast region. To that end, in 2023 Black Stone acquired additional, non-producing mineral and royalty interests totaling \$14.6 million. Black Stone's commercial strategy going forward includes the continuation of meaningful, targeted mineral and royalty acquisitions to complement our existing positions.

## Hedge Position

- Black Stone has commodity derivative contracts in place covering portions of its anticipated production for 2024 and 2025, including derivative contracts put in place after the end of the year. The Company's hedge position as of February 16, 2024, is summarized in the following tables.

### Oil Hedge Position

	Oil Swap Volume MBbl	Oil Swap Price \$/Bbl
1Q24	570	\$71.45
2Q24	570	\$71.45
3Q24	570	\$71.45
4Q24	570	\$71.45
1Q25	210	\$70.50
2Q25	210	\$70.50
3Q25	210	\$70.50
4Q25	210	\$70.50

### Natural Gas Hedge Position

	Gas Swap Volume BBtu	Gas Swap Price \$/MMbtu
1Q24	10,310	\$3.56
2Q24	10,465	\$3.55
3Q24	10,580	\$3.55
4Q24	10,580	\$3.55
1Q25	900	\$3.65
2Q25	910	\$3.65
3Q25	920	\$3.65
4Q25	920	\$3.65

## Summary 2024 Guidance

Following are the key assumptions in Black Stone Minerals' 2024 guidance, as well as comparable results for 2023:

	<u>FY 2023</u> <u>Actual</u>	<u>FY 2024 Est.</u>
Mineral and royalty production (MBoe/d)	37.4	39 – 40
Working interest production (MBoe/d)	2.4	1 – 2
Total production (MBoe/d)	39.8	40 – 42
Percentage natural gas	74%	76%
Percentage royalty interest	94%	96%
Lease bonus and other income (\$MM)	\$12.5	\$10 - \$15
Lease operating expense (\$MM)	\$11.4	\$10 - \$12
Production costs and ad valorem taxes (as % of total pre-derivative O&G revenue)	12%	11% - 13%
G&A - cash (\$MM)	\$40.6	\$44 - \$45
G&A - non-cash (\$MM)	\$10.9	\$10 - \$12
G&A - TOTAL (\$MM)	\$51.5	\$54 - \$57
DD&A (\$/Boe)	\$3.14	\$3.00 - \$3.25

- Black Stone expects royalty production to increase by approximately 4% in 2024 relative to full year 2023 levels, primarily due to Aethon turning on-line the 24 wells in various stages of development in the Shelby Trough and continued development in the Austin Chalk. This is partially offset by an expected moderation of activity in Louisiana Haynesville due to lower commodity prices.
- Working interest production is expected to decline in 2024 as a result of Black Stone's decision in 2017 to farm out participation in its working interest opportunities.
- The Partnership expects general and administrative expenses to be slightly higher in 2024 as a result of inflationary costs and selective hires made to support Black Stone's ability to evaluate, market and manage its undeveloped acreage positions to potential operators.

## 2024 Financial Guidance



		FY 2023 Actual	FY 2024 Guidance
Mineral & Royalty Production	(Mboe/d)	37.4	39.0 - 40.0
Working Interest Production	(Mboe/d)	2.4	1.0 - 2.0
Total Production	(Mboe/d)	39.8	40.0 - 42.0
% Natural Gas	(%)	74.1%	76.0%
% Royalty Interest	(%)	94.0%	96.0%
Lease Bonus	(\$MM)	\$12.5	\$10.0 - \$15.0
Lease Operating Expenses	(\$MM)	\$11.4	\$10.0 - \$12.0
Production Costs	(%)	11.7%	11.0% - 13.0%
Cash G&A	(\$MM)	\$40.6	\$44.0 - \$45.0
Non-Cash G&A	(\$MM)	\$10.9	\$10.0 - \$12.0
Total G&A	(\$MM)	\$51.5	\$54.0 - \$57.0
DD&A	(\$ / Boe)	\$3.14	\$3.00 - \$3.25



# Black Stone Minerals LP

Company Profile

April 3, 2024

## Net Income and Cash Flow Forecast Model

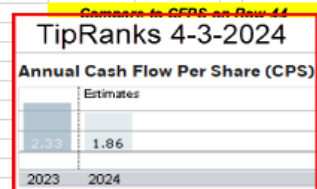
Black Stone Minerals LP (BSM) Net Income and Cash Flow 2022 - 2025 (updated 4/3/2024)												
	Actual 2022	Actual Qtr1 2023	Actual Qtr2 2023	Actual Qtr3 2023	Actual Qtr4 2023	Actual Year 2023	Forecast Qtr1 2024	Forecast Qtr2 2024	Forecast Qtr3 2024	Forecast Qtr4 2024	Forecast Year 2024	Forecast 2025
<b>REVENUES:</b>												
Oil and condensate sales	\$336,287	\$60,909	\$61,551	\$85,724	\$80,112	\$288,296	\$62,600	\$61,952	\$67,874	\$71,517	\$263,943	\$309,423
Natural gas and NGL sales	434,945	57,423	41,619	48,815	52,440	200,297	58,213	55,857	61,632	65,856	241,558	261,603
Lease bonus and other income	13,052	3,975	2,527	2,180	3,824	12,506	3,500	3,000	3,000	3,000	12,500	12,500
Derivatives - Cash Settlements	(203,166)	13,285	28,184	24,189	17,065	82,723	0	0	0	0	0	0
Derivatives - Non-Cash MTM	82,486	38,986	(16,881)	(51,111)	37,400	8,394	0	0	0	0	0	0
<b>Total Revenues</b>	<b>663,604</b>	<b>174,578</b>	<b>117,000</b>	<b>109,797</b>	<b>190,841</b>	<b>592,216</b>	<b>124,313</b>	<b>120,809</b>	<b>132,505</b>	<b>140,373</b>	<b>518,000</b>	<b>583,526</b>
<b>EXPENSES:</b>												
Lease operating expenses	12,380	2,668	2,866	2,615	3,237	11,386	3,500	3,000	3,000	2,500	12,000	10,000
Production and ad valorem taxes	66,233	12,667	12,844	16,441	15,027	56,979	14,498	14,137	15,541	16,485	60,660	68,523
Exploration expense	193	4	4	1,711	429	2,148	250	250	250	250	1,000	1,000
Exploratory dry hole expense	0	0	0	0	0	0	0	0	0	0	0	0
DD&A	47,804	11,147	10,421	12,367	11,748	45,683	11,648	11,357	12,218	12,806	48,029	51,976
Impairment of property & equipment	0	0	0	0	0	0	0	0	0	0	0	0
General and Adm	36,264	10,530	9,337	10,671	10,088	40,626	11,000	11,000	11,000	11,500	44,500	46,500
Equity based compensation	17,388	2,118	2,517	3,777	2,417	10,829	2,500	2,500	3,000	3,000	11,000	13,000
Accretion of asset retirement obligation	861	245	250	254	293	1,042	300	300	325	325	1,250	1,400
(Gain) loss on sale of assets, net	(17)	0	0	(73)	0	(73)	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>181,106</b>	<b>39,379</b>	<b>38,239</b>	<b>47,763</b>	<b>43,239</b>	<b>168,620</b>	<b>43,696</b>	<b>42,544</b>	<b>45,333</b>	<b>46,866</b>	<b>178,439</b>	<b>192,399</b>
<b>OPERATING EARNING</b>	<b>482,498</b>	<b>135,199</b>	<b>78,761</b>	<b>62,034</b>	<b>147,602</b>	<b>423,596</b>	<b>80,617</b>	<b>78,265</b>	<b>87,172</b>	<b>93,507</b>	<b>339,562</b>	<b>391,127</b>
<b>OTHER INCOME (EXPENSES)</b>												
Interest and investment income	53	157	373	511	826	1,867	500	500	500	500	2,000	2,000
Interest expense - cash	(4,332)	(559)	(387)	(359)	(410)	(1,715)	(350)	(350)	(350)	(350)	(1,400)	(1,400)
Amortization of deferred charges	(1,954)	(255)	(258)	(262)	(264)	(1,039)	(265)	(265)	(265)	(265)	(1,060)	(1,100)
Other	215	(99)	(97)	143	(107)	(160)	0	0	0	0	0	0
Distributions to Series B Preferred Units	(21,000)	(5,250)	(5,250)	(5,250)	(6,026)	(21,776)	(6,026)	(6,026)	(6,026)	(6,026)	(24,104)	(24,104)
<b>NET INCOME</b>	<b>455,480</b>	<b>129,193</b>	<b>73,142</b>	<b>56,817</b>	<b>141,621</b>	<b>400,773</b>	<b>74,476</b>	<b>72,124</b>	<b>81,031</b>	<b>87,366</b>	<b>314,998</b>	<b>366,523</b>
<b>Common &amp; Subordinated units</b>	<b>209,407</b>	<b>209,991</b>	<b>209,991</b>	<b>209,991</b>	<b>209,991</b>	<b>209,991</b>	<b>210,500</b>	<b>210,500</b>	<b>210,500</b>	<b>210,500</b>	<b>210,500</b>	<b>211,000</b>
<b>Earnings per share</b>	<b>\$2.18</b>	<b>\$0.62</b>	<b>\$0.35</b>	<b>\$0.27</b>	<b>\$0.67</b>	<b>\$1.91</b>	<b>\$0.35</b>	<b>\$0.34</b>	<b>\$0.38</b>	<b>\$0.42</b>	<b>\$1.50</b>	<b>\$1.74</b>
<b>Operating cash flow net of pfd dist</b>	<b>\$440,984</b>	<b>\$103,972</b>	<b>\$103,469</b>	<b>\$124,515</b>	<b>\$118,943</b>	<b>\$450,899</b>	<b>\$89,189</b>	<b>\$86,046</b>	<b>\$95,339</b>	<b>\$101,262</b>	<b>\$371,836</b>	<b>\$418,999</b>
<b>Cashflow per common unit (before CapEx)</b>	<b>\$2.11</b>	<b>\$0.50</b>	<b>\$0.49</b>	<b>\$0.59</b>	<b>\$0.57</b>	<b>\$2.15</b>	<b>\$0.42</b>	<b>\$0.41</b>	<b>\$0.45</b>	<b>\$0.48</b>	<b>\$1.77</b>	<b>\$1.99</b>
<b>PRODUCTION</b>												
Natural Gas (mcfpd) includes NGLs	163,580	182,800	161,209	184,565	179,848	177,105	182,400	177,840	189,240	198,360	186,960	202,920
Oil (bbbls/d)	9,835	8,811	9,297	11,870	11,152	10,283	9,600	9,360	9,960	10,440	9,840	10,680
NGLs (bbbls/d)	0	0	0	0	0	0	0	0	0	0	0	0
<b>boepd</b>	<b>37,098</b>	<b>39,278</b>	<b>36,165</b>	<b>42,631</b>	<b>41,127</b>	<b>39,800</b>	<b>40,000</b>	<b>39,000</b>	<b>41,500</b>	<b>43,500</b>	<b>41,000</b>	<b>44,500</b>
<b>PRODUCT PRICES</b>												
Natural Gas (\$/mcf)	-2.5%	\$ 4.35	\$ 4.59	\$ 4.26	\$ 4.20	4.35	\$ 3.47	\$ 3.41	\$ 3.54	\$ 3.61	3.51	\$ 3.53
Oil (\$/bbl)	71.44	\$ 75.75	\$ 75.67	\$ 79.07	\$ 78.08	77.14	\$ 70.88	\$ 71.94	\$ 74.07	\$ 74.46	72.84	\$ 79.38
NGLs (\$/bbl)	0.00	\$ -	\$ -	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	\$ -	0.00	\$ -
<b>Gross Revenue check (prod * ave price)</b>	<b>568,063</b>	<b>131,617</b>	<b>131,354</b>	<b>158,728</b>	<b>149,617</b>	<b>570,784</b>	<b>119,480</b>	<b>116,528</b>	<b>129,505</b>	<b>137,373</b>	<b>500,989</b>	<b>571,026</b>
							<b>124,000</b>	<b>126,000</b>	<b>126,000</b>	<b>128,000</b>	<b>504,000</b>	<b>536,780</b>
<b>Distributions to common unit holders</b>	<b>\$ 1.745</b>	<b>\$ 0.475</b>	<b>\$ 0.475</b>	<b>\$ 0.475</b>	<b>\$ 0.475</b>	<b>\$ 1.900</b>	<b>\$ 0.475</b>	<b>\$ 0.475</b>	<b>\$ 0.475</b>	<b>\$ 0.475</b>	<b>\$ 1.900</b>	<b>\$ 1.900</b>

< Forecast oil & gas revenues include the estimated impact of hedges, which are broken out on rows 12 & 13 when actuals are reported  
< Non-Cash Item

**Cash Expenses per BSM Guidance**  
< BSM still owns some working interests  
< Row 9 + Row 10) X 12%

< \$3.20 / boe

< Non-Cash expense



< 2023 is common units o/s 12/31/2023

< First Call EPS estimates  
< Cash flow net of distributions to Series B pfd units on row 36  
< Fair Value of 9 X 2023 to 2025 CFPS = \$ 17.25

< TipRanks CFPS Forecasts  
\$ 18.50 < TipRanks' PT  
Prod. Mix \$ 17.00 < Piper Sand 3/7/2024  
< 76% including NGLs \$ 20.00 < Stifel Nicolaus 1/23/2024  
< 24%

< Production guidance for 2024: 40 - 42 Mboepd (2-19-2024)  
< Year over year production growth  
< See impact of hedges below +\$0.50 for NGLs  
< See impact of hedges below -\$2.50/bbl differential

< First Call Revenue estimates

< Estimated distributions

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