

2W WHATLEY RANCH



Andrews & Ector County
± 16,511.9 Acres

2W Whatley Ranch

If you are looking for a place to invest some money, then this is it.

The returns on this ranch are incredible.

Water is rapidly becoming one of our most valuable resources. The aquifers under this ranch are truly amazing. The owners have Arcadis water studies to back this up. That being said, there's a huge water business that will be sold with the ranch. Owners are conveying all water rights with the sale.

There are 2 Fresh Water Stations located on the north side and the south side



of the ranch. These are in consistent use with an average of 80,000 barrels per month. This can increase depending on the drilling activity in the area. To prove the water, these stations have had as many as 70 trucks per day run through and have never missed a beat. The current market price per barrel on this ranch is \$0.60. In 2011 the owner sold \$204,337.00 in fresh water and in 2012 there were \$862,790 in sales. There have been previous year sales on the ranch for water, but the owners have turned this into a commercial business in the last couple of years.

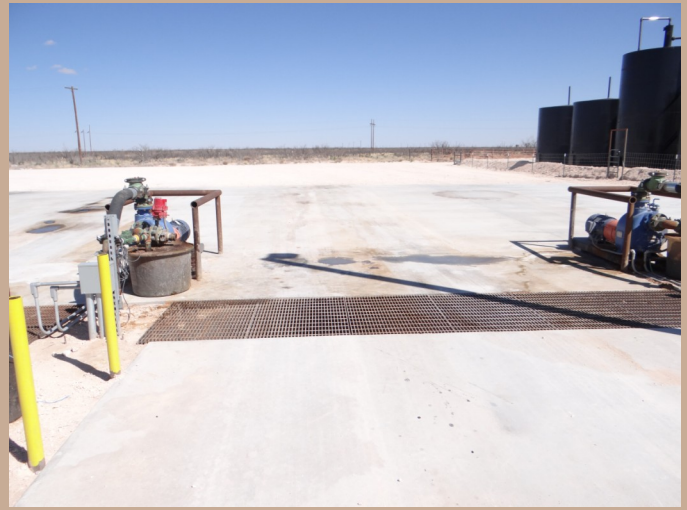
This water system is totally automated, modern, and very efficient. These water sales will continue to rise since the ranch sits in such a high drilling area.

Subsequently, there are many small surrounding communities that need water, and this property is in a great spot to produce and sell it.

This is a very lucrative opportunity! There isn't a ranch out there with this kind of return!



Along with water there are 4 Salt Water Disposal wells (SWD). Two of the wells are leased to EOG and will continue to be leased for the next 2 years. The owner receives a rental income from the wells. These SWD wells generate an average of \$220,000 per year. The other two SWD wells are leased to RBJ company for outside sales and have been averaging 2,500 barrels per day. The owner receives a royalty income from these two wells. The #701 well is permitted at 25,000 barrels per day and the #601 is permitted at 10,000 barrels per day. The owner receives 20% of the income on these 2 SWD wells and/or \$0.10 per barrel, whichever is greater. Also, the owner receives 2.5% off of all scim oil that is produced. They take a lower number on the scim oil to get a higher percentage on the injection water, which generates a higher return.



There is a big push to start piping water to eliminate trucking costs, which in turn is going to generate more lease revenue for this ranch. This will be in damages and overall lease on pipelines too. Another source of income is the nice Caliche on the ranch. Average yearly sales are about \$50,000 per year.

The owner has an option contract on 40 acres with a company out of Chicago for a Peaker Plant. This is an aid to assist in producing Renewable Energy. The owner has reserved all water rights in this particular contract to ensure the company buys all water from the ranch. The estimated yearly income on this contract for water is \$100,000.

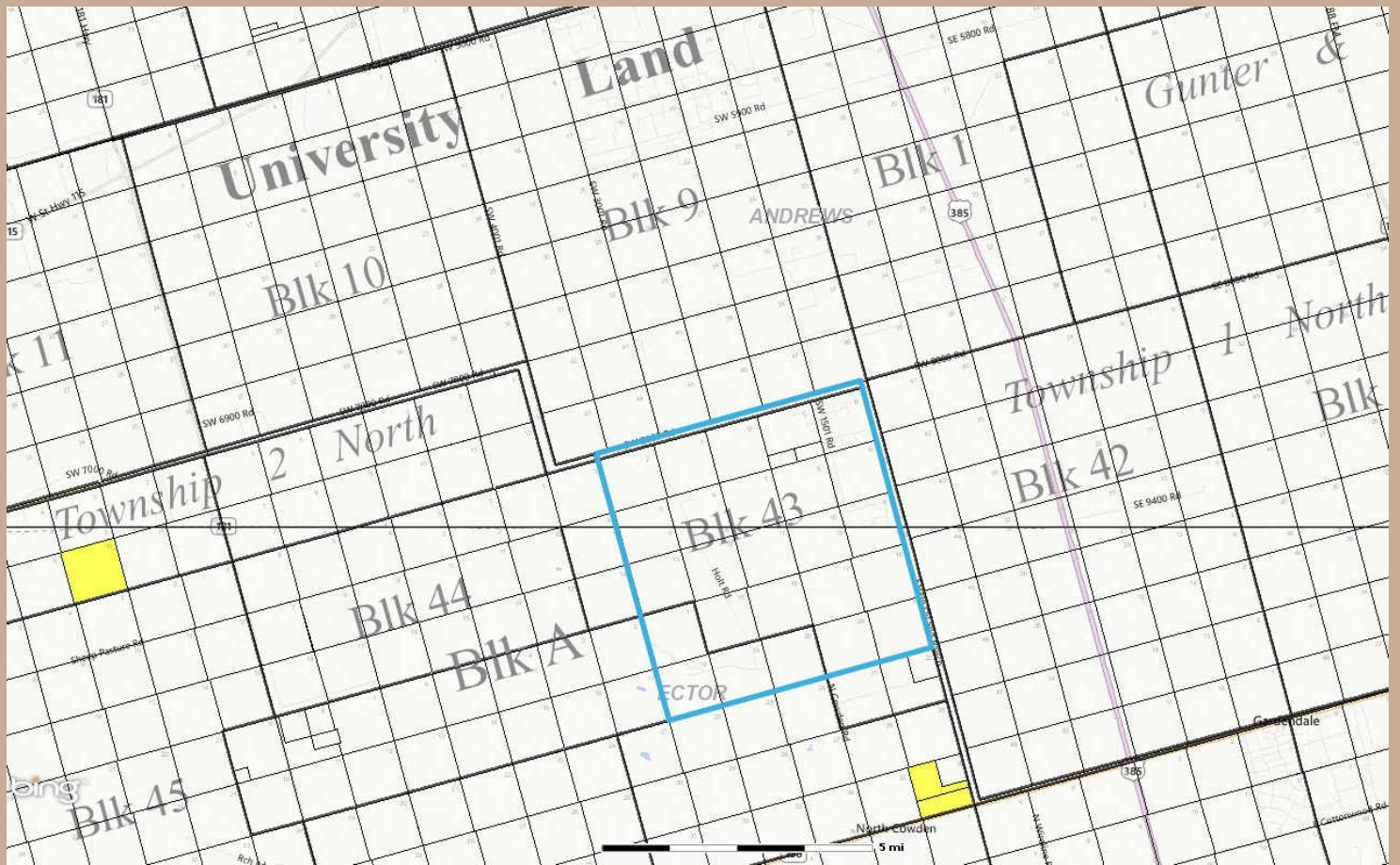
There is not a current Renewable energy lease on the Ranch. The owner does have his own MET Tower on the Ranch to record and measure wind. There is a possible future for an expansion of this for the ranch. The future of Renewable Energy depends a lot on our Federal Government. The owner at current time is reserving 1/3 of the Renewable energy rights on the ranch.

With all of the activity on this property, it is still very well maintained and in good order. The Ranch has not been abused or over grazed. This is a good clean ranch with the owners having a real stewardship of conservation and ethics. In today's energy market, these types of ranches with all of the opportunity, do not come a long very often. No minerals will convey.

± 16,511.9 Acres

\$1,000 Per Acre







CALEB L MATOTT
REALTOR/FARM & RANCH SPECIALIST
LEGACY REAL ESTATE
CELL: 432-349-3330 OFFICE: 432-687-6500
BIGDOGRANCHSALES@MAC.COM
FARMANDRACNHOTEXAS.COM
4400 N BIG SPRING STE 101
MIDLAND, TX 79705
FAX: 432-618-0675
LEGACYREALESTATE.COM



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