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Coyanosa Draw Ranch

13,468 acres with minerals, Pecos County, Texas



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Coyanosa Draw Ranch

13,468.43 Acres

-12,177.60 Acre Fee Simple

-1,290.80 Acre Lease Land

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Location

Coyanosa Draw Ranch formally known as the Alpine High Ranch is part of the historic Townsend Ranch. The Hudgins family was granted this property as payment for building a fence around the huge historic Townsend ownership. The ranch fronts on Highway 67 between Fort Stockton and Alpine, with the entrance just 18 miles south of I-10 and 26 miles from Fort Stockton and its regional amenities. The ranch has a major drainage, Coyanosa Draw, that crosses the property and is adjacent to some of the largest ranches in the Trans Pecos, including the Elsinore and Leoncita Ranches. Center Pivot Irrigation is operating adjacent to the south with 1,000 gal/min wells confirming the amazing groundwater resources.

Acreage

12,177.60 Acres Owned and 1,290.83 Acres Leased in Pecos County, Texas.

Description

Coyanosa Draw Ranch lies over a freshwater aquifer and represents a diverse landscape of deep bottom soils along the broad gravelly flats, limestone hills with commanding views of many of the area mountain ranges, including the Del Norte, Glass and The Davis Mountains. This cow country hunting ranch is very accessible, yet you can hide away in the many interesting secret draws and cover where you will find abundant populations of desert Mule Deer, Elk, dove, and the wily Blue Quail. The ranch has a tremendous road infrastructure and, with just a corner of the ranch located along Highway 67, it is very private but extremely accessible.

The topography of the ranch is a broad open valley with several limestone hills, cut by broad wooded draws and elevations ranging from 3,500 feet to 3,100 feet, which makes for a wide variety of soils and a very interesting mix of habitats. The ranch to the south has several center pivot irrigation fields right up to the fence-line, accessing the same aquifer under this ranch, the Hovey Channel. There are several areas where this could be replicated along Coyanosa Draw as there is a huge amount of relatively shallow fresh water, with deep soils.

The ranch has a number of windmills and solar wells. Electricity is located at the southwest corner and an excellent submersible water pump produces from only 220 feet. There are several dirt tanks on the ranch with room for many more. Monsoon rains come in the summers, providing for an excellent growing season of a wide variety of Chihuahuan Desert plants, shrubs, and grasses.

There is an extensive road network on the ranch and the exterior fences range from new to functional. Several caliche gravel pits will provide significant materials for future needs. The owners have built extensive all-weather caliche roads. There is a great metal barn, as well as a set of pens and a historic rock ruin, and many places to build a new lodge or headquarters.



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Habitat

The landscape consists of one-half foothills to the Glass Mountains and the other half deep-soil bottom land. This ranch lies at an elevation that supports a mix of vegetation from the mid-Chihuahuan Desert such as century plants, Spanish dagger, yucca, agarita, sotol and cholla, with a dominant gramma grass mix and scattered bush/trees, including creosote, mesquite, hackberry, and soap berry. Native grasslands provide excellent forage for livestock as well as habitat for Mule Deer and native birds and mammals. The ranch also has several ridges and hills rich in a diversity of rocks and minerals, including many types of agates.

Wildlife

This is Chihuahuan Desert grassland and scrubland at its very best. The grasses, forbs and brush provide excellent habitat for game and non-game animals and birds. Mule Deer and Elk are the primary game animals. Coyotes, javelina, bobcats, and badgers are all also present. Blue (Scaled) Quail and Doves are the game birds. Raptors include Golden Eagles and wide variety of hawks, neotropical migratory birds, such as orioles, hummingbirds, warblers, flycatchers, and many others make for a wonderful birding experience.

Water

The ranch lies over a tremendous freshwater aquifer, both shallow and deep. There are three windmills, one solar pump, two generator pumps, and one electric submersible. Water is distributed to several storage tanks and water troughs for wildlife and livestock. Development of irrigated alfalfa and other wildlife forage could greatly enhance the Deer and Elk populations. The water and soils are there, and with gas wells on the ranch, natural gas pumps could provide the energy needed to develop the irrigated cropland component.

Minerals

This ranch is located within the newly discovered Alpine High geologic region of West Texas. There are active well sites within eyesight of the ranch today both west and south which used horizontal technology in nontraditional shale zones. Seller has access to 3D Seismic that covers the entire ranch and can be made available with the purchase. The older traditional wells on the ranch have been and are being cleaned up and plugged, leaving clean and orderly remaining production facilities. There is one shut-in well on Section 34 with a two-year lease term and a 1/4th royalty. The remainder of the ranch is unleased. There is also a surface use agreement over the ranch, covering gas and water line rights-of-way and saltwater disposal operations. The Seller owns 25% of the Fee Minerals which includes executive rights and will convey all that they own or approximately 2,269.88 Net Mineral Acres. Additionally, there are also 3,098.10 acres of Mineral Classified state minerals on the ranch. Rarely do you get a chance to own minerals in an area where a single future lease could be an economic game changer.

Activity and Current Condition of Oil and Gas Minerals

- 1) Ranch contains 9,079.5 gross mineral acres total, and Seller (Blackbeard Resources, LLC) has 25% of minerals. Buyer will receive Seller's mineral interest, which equates to 25% of total, or approximately 2,269.88 net mineral acres. All minerals are currently unleased except for 704 acres around a shut-in gas well.
 - a) The ranch is located in the prolific Delaware Basin and offsets Apache's Alpine High Play
 - b) The stratum consists of a 6,000' hydrocarbon column with 3rd Bone Spring, Wolfcamp, Penn., Barnett, and Woodford formations with stacked oil, wet gas, and dry gas potential
 - c) Offset development has drastically increased since Apache announced the play in September 2016 with drilling activity within 5 miles of the ranch's borders



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- 2) An additional 3,098 net acres are classified as “Mineral Classified” by State of Texas
 - a) Most recent oil and gas lease on mineral classified land was in 2011 on about 3,058 acres for \$500/ac, 3-year term and 25% royalty. That lease is now expired, and lands are available for a new lease.
 - b) Mineral classified lands have minerals owned by the State of Texas. Surface owner of the land acts as agent for the State and equally shares the lease bonus and royalty with the State. Buyer will receive all the benefits due to surface owner on mineral classified lands.
- 3) Historical gas production from wells on Coyanosa Draw Ranch minerals is about 8,300,000 MCF, (where 1 MCF = 1,000 cu ft of gas). Productive wells on adjacent lands to the south add another 9,500,000 MCF. The vast majority of gas production is from the Devonian reservoir at depth of about 13,000 ft.
- 4) The previous owner Abraxas acquired a proprietary 3D seismic survey covering about 39 square miles in 2001. Seller of the ranch will grant a license to this seismic data to a new Purchaser. Abraxas utilized the 3D seismic data to successfully drill horizontal wells on closed structures. Some structures remain untested.

Price

Reduced from \$644 per net Fee acre/\$7,841,656.00 to \$497 per net Fee acre/\$6,052,267.20

Contact

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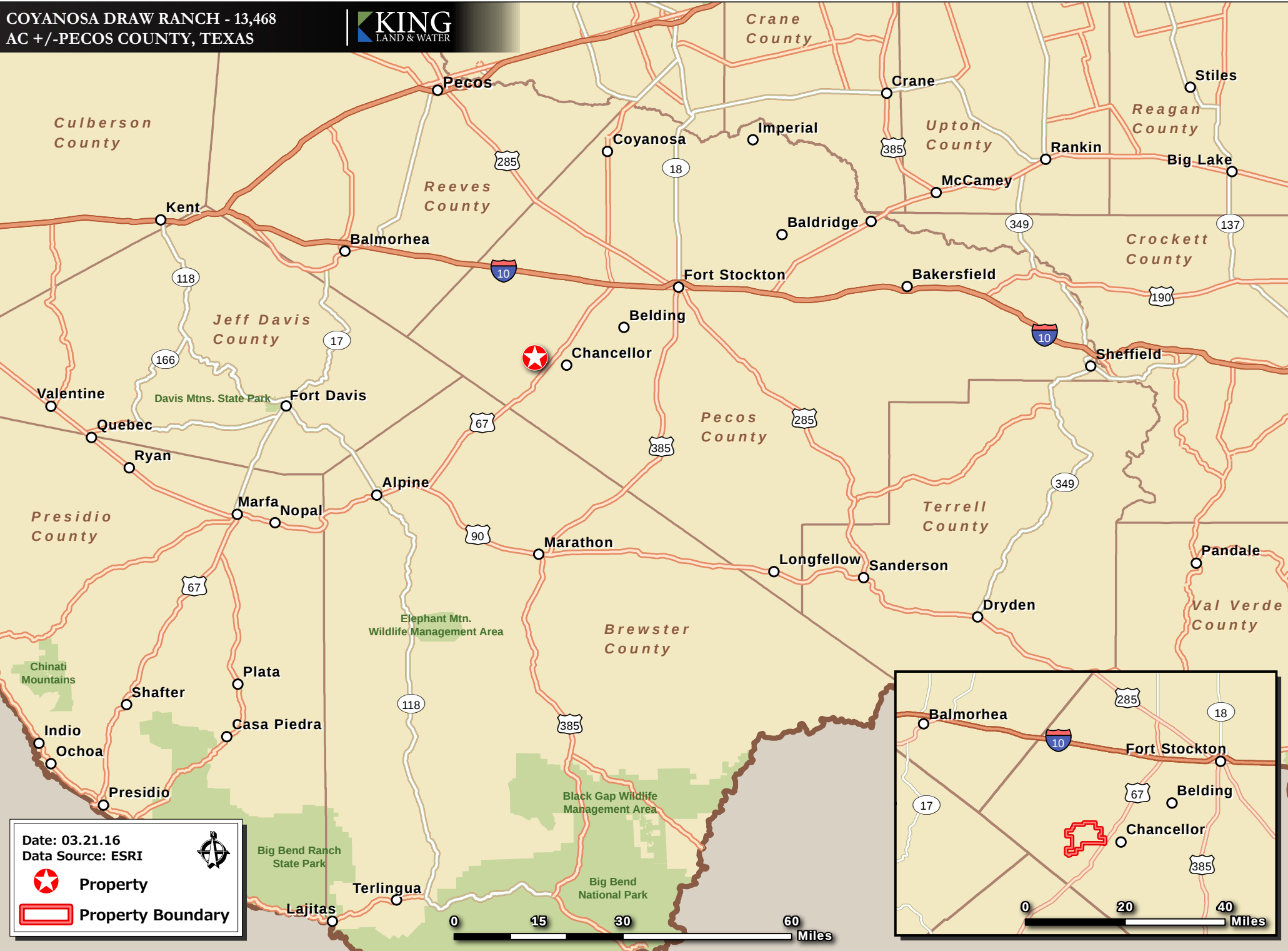
Disclaimer

This Ranch offering is subject to prior sale, change in price, or removal from the market without notice. While the information above was provided by sources deemed reliable, it is in no way guaranteed by the broker or agent.



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COYANOSA DRAW RANCH - 13,468
AC +/-PECOS COUNTY, TEXAS



Date: 03.21.16

Data Source: ESRI



Property



Property Boundary



0 15 30 60 Miles

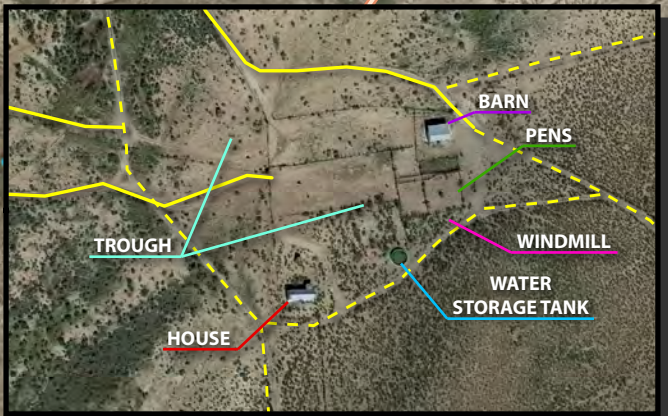
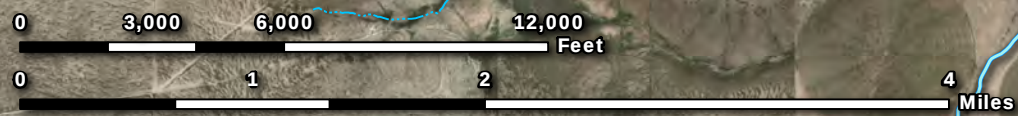


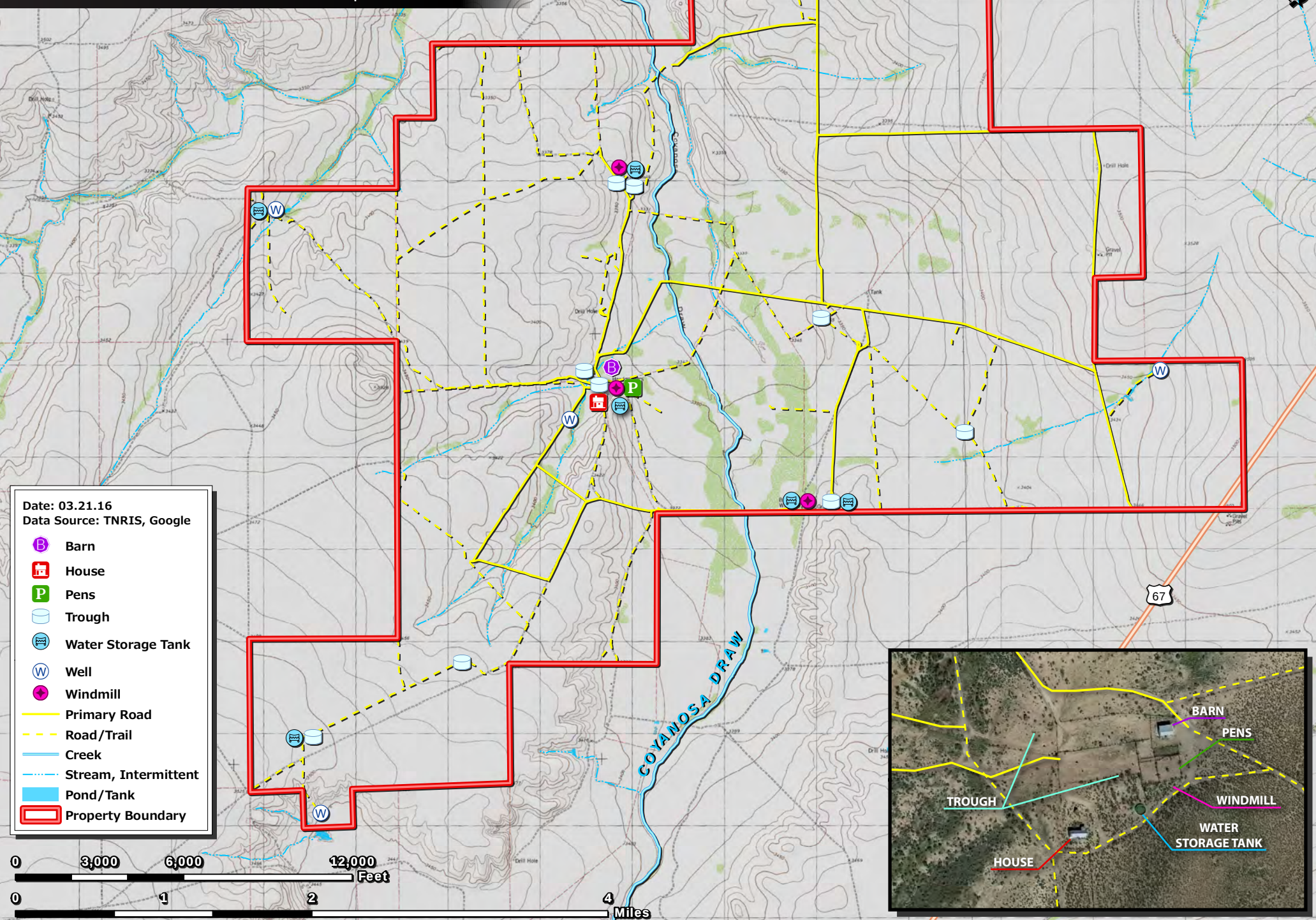
The information contained herein was obtained from sources deemed to be reliable. Mapright Services makes no warranties or guarantees as to the completeness or accuracy thereof. 844.932.6277 www.mapright.com



Date: 03.21.16
Data Source: TNRIS, Google

- Barn
- House
- Pens
- Trough
- Water Storage Tank
- Well
- Windmill
- Primary Road
- Road/Trail
- Creek
- Stream, Intermittent
- Pond/Tank
- Property Boundary









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Information About Brokerage Services

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any coincidental information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

King Land & Water LLC	576133	office@kinglandwater.com	(432)426-2024
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Tammy King	531506	Tammy@kinglandwater.com	(432)426-2024
Designated Broker of Firm	License No.	Email	Phone
Tammy King	531506	tammy@kinglandwater.com	(432)386-3622
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
James King	333585	James@KingLandWater.com	(432)386-2821
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

IABS 1-0 Date