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Whiting Petroleum Corp. (WLL)

Whiting Petroleum and Oasis Petroleum Merger Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, and welcome to the Whiting and Oasis Merger Call. All participants will be in listen-only mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. Please note, this event is being recorded.

I'd now like to turn the conference over to Michael Lou. Please go ahead.

Michael H. Lou
Chief Financial Officer & Executive Vice President, Oasis Petroleum, Inc.

Thank you, Jason, and good morning. Today, we will be discussing the merger between Whiting and Oasis. With me, on this call this morning is Lynn Peterson, President and Chief Executive Officer of Whiting, as well as Danny Brown, Chief Executive Officer of Oasis, as well as other members of both teams.

We'll be referencing our Investor Presentation that you can find on each of our websites. And as a reminder, any forward-looking statements we make during today's conference call are given in the context of today only. Actual results and events could differ materially from those discussed here. Please refer to the information on the disclaimer slides in the presentation, as well as the additional information contained in the regulatory filings for both companies.

With that, I'll turn the call over to Lynn Peterson, President and Chief Executive Officer of Whiting.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

Thank you, Michael. Good morning, everyone, and thanks for joining us to discuss the merger of Whiting and Oasis. I will trust that you have read the forward-looking statements on slide 3, so we'll begin on slide 4.

From the outset of our discussions with Oasis, it has been clear what a strong, strategic, financial and cultural fit this transaction is. Whiting and Oasis have both made tremendous strides over the last year to advance our businesses and set the foundation for this exciting next step. Combining Whiting and Oasis will create a leading unconventional US oil producer with a premier Williston Basin acreage position totaling approximately 972,000 net acres and volumes of nearly 170,000 barrels of oil equivalent per day.

Together, we expect to generate significant and sustainable free cash flow from our high-quality assets. In 2022 alone, we expect approximately $1.2 billion of free cash flow at $85 WTI pricing and $3.50 MMBtu NYMEX gas. The combined company also expects to have a reinvestment rate below 40%. As you can see the map to the right also shows the complementary nature of our combined assets. With top tier assets, significant scale and enhanced financial strength, the combined company will be poised to drive significant value creation for our shareholders. The transaction will position our combined company to execute on a focused plan, generate strong free cash flow and accelerate the return of capital.

We are excited to move forward together as a much stronger combined company with a debt free balance sheet and we're confident that our combined company will continue to be an industry leader from an ESG perspective. Moving to slide 5, you will see details on the terms of the transaction, which is a true merger of equals. The combined company will have an enterprise value of approximately $6 billion based on the exchange ratio and the closing share prices for Whiting and Oasis as of March 4, 2022. Whiting shareholders are expected to own approximately 53% of the combined company and Oasis shareholders approximately 47% of the fully diluted basis.

Additionally, Whiting shareholders will receive $6.25 per share in the form of merger consideration, and the Oasis shareholders will receive a special dividend of $15 per share. Upon close, the combined company plans to operate under a new name to be announced at a later date and will be headquartered in Houston while maintaining the Whiting's Denver office for the foreseeable future. We also expect both companies' shareholders will each benefit from the significant upside potential created from identified administrative and operational cost synergies of approximately $65 million on an annual basis by the second half of 2023.

We will have a peer leading balance sheet with leverage of approximately 0.2 times at close, including the impact of the merger consideration and special dividend. With minimal borrowings expected at close, we will have a strong liquidity position. We also have no near-term maturities. The transaction is expected to close in the second half of 2022, subject to shareholder approvals and customary closing conditions. We are excited to be bringing together two likeminded companies and cultures to generate significant value for both companies' shareholders.

On a personal note, I look forward to serve as Executive Chair of the combined company and working with Danny Brown, who will serve as Chief Executive Officer. From a governance and an oversight perspective, Danny and I will serve on the board with four additional independent directors from each of the companies. Together, we will leverage best practices of both companies to unlock the enormous combined potential for our assets and organizations. With that, I'd like to turn it over to Danny.

Daniel E. Brown

Chief Executive Officer & Director, Oasis Petroleum, Inc.

Thanks, Lynn. And let me say first, that I also look forward to working together, and I'm very excited to be having this call this morning to announce the combination of our two excellent companies. Lynn mentioned a lot of the rationale behind this transaction, but let me drill down on a few of the key points he raised a little further over the next few slides. So first, let's turn to slide 6. Importantly, the transaction is accretive to a host of key metrics, including E&P cash flow, E&P free cash flow, return of capital and net asset value.

The other important thing here is that the combination is expected to enhance the company's credit profile as it will have enhanced scale and stronger cash flow while maintaining balance sheet with low leverage. Moving to slide 7, I'd like to spend a moment on the pro forma management team. We have outstanding talent and executives across both organizations and plan to reflect that across the combined company, including in the senior leadership team. I also want to take a moment to thank the executives, management, employees of both organizations whose hard work have positioned us to announce this combination today.

The company will be overseen by proven leaders from both Whiting and Oasis, all with deep energy industry experience, including M&A and operations and importantly, significant expertise in the Williston Basin. Our leadership team will be comprised of Michael Lou, Chip Rimer, Scott Regan, with Lynn serving as Executive Chair and myself, bringing together an extremely talented group of individuals who are all very excited about delivering value for our combined shareholders. Consistent with our focus on good governance and accelerating shareholder returns, the combined company's management equity compensation program is expected to be performance based to incentivize shareholder value creation.

Moving to slide 8, the map underscores that the company will be a premier operator in the Williston Basin with top tier assets. Together, we will have the largest net acreage position among peers in the basin and we will have the second highest production level with the anticipated production of approximately 168,000 barrels of oil equivalent per day in 2022 based on current volumes. So with the transaction, we'll be combining high-quality assets with significant inventory positions that will be developed and operated by experienced teams, that's a great scenario. And not on – and I'll note on the bottom of the slide that on a combined basis, we expect to have improved E&P cash margins and a shallower base decline profile, which is obviously also beneficial.

Moving to slide 9, I think this slide is extremely important for our combined organization as it addresses our commitment to return of capital as a combined organization. Shareholder returns are going to be important to the strategy of the combined company, building what on each – building on what each company has been able to return on their own and it's fair to say that the asset base of the newly formed company will generate significant and very resilient free cash flow across a broad price range.

So, post-close the combined company will target a return of capital program representing 60% of free cash flow. We expect the aggregate base dividend of the combined company to be $25 million per quarter or $0.585 per share using variable dividends and share repurchases to return the full targeted amount. After close, we expect the combined company – the combined board to establish a formal long-term return of capital program which will start in 2023. In summary, the program is expected to provide meaningful return of capital to shareholders given the significant free cash flow generation, capital discipline and excellent financial position of the organization.

So, I'd like to turn now to our ESG philosophy shown on slide 10, which will really be a continuation of the efforts to-date across both companies. And first, I want to mention safety always, which will be absolutely fundamental to our business. The safety of our employees, contractors and communities will be paramount to the combined company. We plan to build on and apply best practices from both companies to improve our combined safety performance, as well as our performance related to many of the other items on this slide, including gas capture and emissions reductions, promoting diversity, inclusion and minimizing our impact. And we believe the transaction is positive development for our communities as well, including the great states of North Dakota and Montana.

On the next slide, you'll see our commitment to ESG in practice. When you look at what both companies have accomplished on an emissions reduction front, it's very impressive. And on a pro forma basis, our combined company will be the second lowest in terms of GHG emissions intensity among the top operators in the Williston Basin, based on gross operating production. And while we're pleased with the performance, I think it's fair to say we're excited to work together to build on these best practices and reduce our emission intensity further.

The chart on slide 12 shows how significant this transaction is in terms of enhancing our size and scale, which has been an important strategic goal for both companies. Our combined company will be well-positioned in terms of both net production and EBITDA (sic) [EBITDAX] (11:23), which should strengthen our resilience through industry cycles. And building on that with slide 13, we believe the combined company will be an even more attractive investment opportunity, with compelling scale, strong free cash flow and significant upside potential.

On the bottom of the slide, you can see where the combined company sits from a free cash flow yield standpoint. And at the top of the page, underscoring this potential for significant upside, you can see that if we were able to rerate closer in line to our peers, there is significant expansion in enterprise value possible. And with that, I'll turn it over -I'll turn it back over to Lynn to finish up the prepared remarks.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

Thank you, Danny. I think to move to slide 14, which really summarize the incredible value we are creating through this transaction. We're excited about the opportunities that our combination creates for both our shareholders, our people, our communities and all of our stakeholders. With that, I think we'll open this up to Q&A and try to answer questions. Thank you.

QUESTION AND ANSWER SECTION

Operator: We will now begin the question and answer session. [Operator Instructions] Our first question comes from Neal Dingmann from Truist Securities. Please go ahead.

Neal Dingmann
Analyst, Truist Securities, Inc.

Q

Morning, guys. Congrats and, Lynn and Danny great job what you've done in the companies. Lynn when you've come back, you've done a lot for shareholders. Just want to say, appreciate that. First question, really maybe just on activity, you guys talk about which I think investors would like to see the dividend going up by $0.58, $0.60, and the 60% return of capital. With that, maybe Danny, can you talk about [ph] I think right now what is it (13:26) each running about a couple rigs with the Plan B to run probably about the same combined and keep production flattish as both companies were saying? Or what could you tell me about operations as part of this free cash flow plan?

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.

A

Yeah, I think – Neal, thanks for the question. I think the thought for the time being until we close, obviously we'll continue to run our existing programs as our independent organizations and then post close, the practical reality is, I think, we'll continue those programs for some period of time and then get together as a new management team and organization and put together an integrated and optimized development plan based on the environment at the time. So, I'd say run rate operations right now are what should be expected and as we get this transaction closed and come together, we'll look at our development plans and we'll create a new development plan for the combined company.

Neal Dingmann
Analyst, Truist Securities, Inc.

Q

Great. And then just to follow up just on that optimized, either for you or Lynn, you both have done this now a long time, Lynn especially. Are there opportunities now [indiscernible] (14:31) for, you talk about an optimized plan, plans whether it'd be bigger pads and the acreage looks obviously quite contiguous which obviously gives a lot of benefits. So, I'm just wondering, obviously you haven't combined yet, still a lot of time until this combination happens. But just from a 10,000-foot view, I mean are there opportunities where you'd say you'd scale and have larger pads or there will be different things on that where you can really start getting some value out of the operational side?

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Thanks, Neal. I'll take the first shot at that and then Danny can add if he'd like. I think what we see in some areas we may be able to do some little longer laterals on a combined acreage position, which I think will be beneficial to us as we move around. I think there's going to be a lot of synergies as we work through this together from an operational standpoint. Certainly having a little more ability to move rigs around to different areas will allow us to kind of ease some of the midstream constraints that we see from time-to-time. So I'm excited about it. I think it's something that'd really play out well for our teams and for our shareholders going forward. Danny, I don't know if you want to add anything to that?

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.

A

Not really, and I think the point that Lynn made about having operational flexibility to move rigs and completion crews around is a big one and we should see big benefit from that.

Neal Dingmann
Analyst, Truist Securities, Inc.

Q

Awesome. Thanks, guys.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Thanks, Neal.

Operator: Our next question comes from Leo Mariani from KeyBanc. Please go ahead.

Leo Mariani
Analyst, KeyBanc Capital Markets, Inc.

Q

Hey, guys. I wanted just to quickly kind of dive into the structure of the deal a little bit here. So if I'm reading this right, I guess Oasis is the surviving equity technically here, even though Whiting is getting the majority of the stock. And I guess additionally, maybe just talk about the point of the $15 per share special dividend to Oasis shareholders post the close. Just trying to get a sense of why we want to take cash out of the company as opposed to kind of maybe leaving it in there for growth or M&A or something like that.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Well, again, I'll take the first crack at this, but I think as we look to the free cash flow that's going to be generated by the combined entity, it's a pretty sizable number. So I think returning some to our shareholders upfront makes a lot of sense. Yes, Oasis is the surviving entity from that standpoint. And again, that was done just from a logistic standpoint of – through the accounting process and everything, so. But I think, when we try to look at valuations, get to a number that was good for both of us, clearly they are two public companies, stocks have been moving around over the last several weeks and we tried to just hit something down the fairway here that both of our shareholders benefit from. So I think we landed in a pretty optimum spot. And, being able to return cash to our shareholders clearly is paramount and we just want to demonstrate once again that we're trying to do the right thing, so. Again, Danny, please feel free to pile on that.

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.

A

I think well said, Lynn.

Leo Mariani
Analyst, KeyBanc Capital Markets, Inc.

Q

Okay. And then just can you maybe talk a little about the strategy going forward of the combined companies here? So obviously both Whiting and Oasis, I guess, had done some kind of small bolt-on M&A deals. Do you guys see the combined company as maybe a more effective consolidator at this point? Is there a thought that you can continue to kind of look for these bolt-on deals or continue to kind of rollup the basin a little bit? And then I guess just additionally, was one of the key motivators for this deal just really about getting a lot bigger given the companies are roughly doubling on this deal?

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Yeah, I think our visions really aligned how we've gone the last year trying to grow our positions in the basin. I think, putting the two companies together obviously gives us much, much more financial strength to pursue or chase other situations that might arise. So again, I think we're just a bigger entity of what we both were individually and we're stronger together than we are as stand-alone. I think it's pretty straightforward and simple, Leo.

Leo Mariani
Analyst, KeyBanc Capital Markets, Inc.

Q

Okay. Thanks, guys.

Operator: The next question comes from Derrick Whitfield from Stifel. Please go ahead.

Derrick Whitfield
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Hi. Good morning, all and congrats on your announcement.

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.
A

Thanks, Derrick.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.
A

Thanks.

Derrick Whitfield
Analyst, Stifel, Nicolaus & Co., Inc.
Q

With my first question, I wanted to follow up on Neal's synergy question. More specifically, how much of the $65 million are you attributing to operational versus administrative? And regarding operational, is that more operating or capital expense?

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.
A

Go ahead, Danny if you want to run on that one.

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.
A

Yeah. So we've got about – of the $65 million, about $35 million is associated with administrative items and about $30 million would be sort of run rate, operational type synergies. And I'm sorry, Derrick, can you repeat the rest of that question?

Derrick Whitfield
Analyst, Stifel, Nicolaus & Co., Inc.
Q

Sure. The last part, Danny was simply and of the $30 million, how much of that is operating versus capital?

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.
A

Yeah, I think as we looked at this, there's – clearly we're going to get some benefits on both sides and so maybe think of it sort of 50/50. We'll be able to – we're going to have a lot more rig efficiency in our D&C program but then we ought to be able to look at how we're running our routes and things like that too, so roughly 50/50.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.
A

Derrick, I might just add a little bit there. I think both of us looked at this and we did not try to be aggressive on these cost synergies.

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.
A

Yeah.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.
A

We try to be pretty careful what we're doing here and again you saw that we kind of said second half of 2023 when you'll start to see these roll through. So, we've got a lot of work ahead of us, but I think it's really exciting to think what we can bring together down the road.

Derrick Whitfield
Analyst, Stifel, Nicolaus & Co., Inc.

Q

Great, Lynn, certainly seems quite conservative. With the understanding that the board will set return of capital philosophy later this year, could you speak to your general thoughts on capital allocation between base variable and share repurchase components?

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Well, yeah, maybe I'll let Danny go because I've been more on the aggressive side of the return of capital and so I'll let Danny take first shot there, please?

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.

A

Yeah. So I think a meaningful base dividend for the combined company is going to be an important element for us. And so you've seen that – you've seen our commentary on that. As we think about the 60% of free cash flow, the thought I believe that the combined organization will take again to your point subject to the board will be to use a combination of variable dividends and share repurchases. And we think there's room for both of those items and a return to capital strategy and in certain instances, we may lean harder one way or the other, but I think you'll see us, the combined company, likely use both as we move forward, but again that will be a decision that the pro forma board makes.

Derrick Whitfield
Analyst, Stifel, Nicolaus & Co., Inc.

Q

That's great. Congratulations again on the transaction and thanks for your time.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Thanks, Derrick.

Operator: The next question comes from David Deckelbaum from Cowen. Please go ahead.

David Adam Deckelbaum
Analyst, Cowen & Co. LLC

Q

Congratulations, Danny, Lynn, Michael. Thanks for the time. I did want to just follow up, one is, is there an obvious value that you see accreting from the midstream side in this transaction? Could you articulate any of that?

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

David, I am not going to put you up, but I think it's a little bit too early until we kind of put the two teams together. We've been pretty careful from midstream perspective here. So, I think we've got a lot of work to do in the next 6 to 12 months in that regard. Danny, I don't know if you want to take a different approach on that question, but...

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.

A

No, I think that's fair.

David Adam Deckelbaum
Analyst, Cowen & Co. LLC

Q

Fair enough. Figure I tried. Then my second question, you guys highlighted...

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

I know you well enough, David, so.

David Adam Deckelbaum
Analyst, Cowen & Co. LLC

Q

Yeah. Obviously this does improve the credit profile. I think you highlighted with this deal that you would have a decade of inventory. I think that breaks – or, it generates an attractive return at $60 a barrel. I guess, should we be thinking about you managing towards a decade of inventory at $60? Do you view yourselves as under levered on a pro forma basis?

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Well, again I guess today we really don't have any leverage to speak of, so I think we do have a wide opportunity here if we can find the right inventory that I think we're both aware of our situation, where we want to be. So, again, I think that's why we're bringing the two companies together to just strengthen our ability to move forward and create the size and scale and investor interest. So, I think this is really the first step in a series of steps that we've got to get done over the next several years. So, just beginning, from my perspective.

David Adam Deckelbaum
Analyst, Cowen & Co. LLC

Q

Absolutely. Well, congrats on scaling up, guys and congrats on getting the deal together. Thank you.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Thanks, David.

Operator: Our next question comes from Noel Parks from Tuohy Brothers Investment Research. Please go ahead.

Noel Parks
Analyst, Tuohy Brothers

Q

Good morning.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

A

Good morning, Noel.

Noel Parks
Analyst, Tuohy Brothers
Q

Just had a couple question. I was wondering when you were just looking at the companies during this unusual time we've had with what's going on in Europe and commodity price and everything, when you're looking at valuation, how did you look at various commodity pricing scenarios? And I just note that it seems that consensus estimates across the Street don't have a lot of consistency around future – around what people think prices are going to look like for the next couple years for your companies and also for the peers in general. So just wondering what your thinking was of valuation as you were working on this and also wondering if you have any – can make any comment on sort of your view of risk/reward going forward as we're maybe embracing a higher commodity price.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.
A

Well, I don't know if I've ever seen a more volatile time in oil prices if you think. I think when both these companies [ph] marched in (25:25) bankruptcy, we were in the 30s, today we're at [ph] $125 (25:28). And so I think there's been so many scenarios ran from a pricing standpoint. Yeah, you're correct, consensus numbers are difficult to really get your arms around, but I think teams or bankers that worked with us, we've all looked at a lot of different avenues to go down here, and it kind of came back to the middle of the road where we ended up here. So, I wouldn't even begin to predict where oil prices go. I think with what's going on in the world, I think that's – it's certainly out of our control at this point.

Danny, you want to follow up with anything from your side on that?

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.
A

Yeah. The only thing that I would add to that is, I think sort of regardless of what price you're thinking about this, the combined organization is a better organization than either organization stand-alone. And so really, I think the benefit we gain by bringing these two companies together is really stretches across a whole wide variety and range of prices.

Noel Parks
Analyst, Tuohy Brothers
Q

Fair enough. And I wanted to ask on the ESG side. In the basin, we've seen some action recently by a peer around carbon capture. And I wonder if you had any thoughts about carbon capture or, I don't know, maybe even EOR regionally? And what – with the greater combined free cash flow you're going to have, if you have any sense of how you might dedicate some additional resources either there or on the midstream emissions side?

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.
A

Yeah. Maybe I'll take the first shot and again, Danny, feel free to jump in here, but I think we're both aware of everything going on in the basin. I think both our boards, our management teams have a high level of respect for ESG and what we're trying to accomplish here. Some of these things are brand new in the basin. EOR has been attempted in a couple places in the past. We'll kind of see how these play out, but I think we've got the talent and team around to stay on top of this, evaluate all these situations, and we – certainly if we're not a first mover, we can be a quick second mover. So, I'm excited what this combination bring and the talent that our teams bring together. With that Danny, feel free.

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.
A

Yeah, no, I agree with Lynn's comments. This is – I think at the – both organizations recognize we need to be responsible stewards of the environment and operate in the best manner we can. And that's going to include trying to build on best practices of both companies, to continue to sort of minimize our environmental footprint. That's what we should be doing and that's what we have been doing and we're going to continue to be committed to that. With respect to sort of new business lines or different ways to approach the basin, I think the pro forma company will get together and we'll look at those things. And if there's great opportunities for us, those are things we may pursue. But we're also great at producing oil and gas and that's our core business. And that's something we're excited to be doing in this company, bringing us together to do that and we're going to do it in a really responsible manner.

Noel Parks
Analyst, Tuohy Brothers
Q

Great. Thanks a lot.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.
A

Thank you.

Operator: There are no more questions in the queue. And this concludes our question-and-answer session. I would like to turn the conference back over to Lynn Peterson for any closing remarks.

Lynn A. Peterson
President, Chief Executive Officer & Director, Whiting Petroleum Corp.

Okay, thank you very much. I think this is a transaction that many of our investors have wanted for a number of years. I know Danny and I have talked a lot. We're both excited about the opportunity that lies ahead. I think our board of directors are excited of what we have potentially down the road. And I think you've heard us say multiple times we're stronger together than we are as stand-alone. I think you can think about it fist versus a finger, and we're stronger if we're one entity here. So, again I think we've got the talent and I want to thank staff on both sides, frankly. They've been tremendous through this process.

And really, if you think back going through the bankruptcy process, coming out of the bankruptcy process, there's been a lot of challenges, a lot of stress to all of our staff during this time. I can't thank them enough for their effort they've done and clearly when we watched in the last few weeks as we worked through this and I think Danny would absolutely agree with me that the team has been fabulous, very professional and I'm really excited to see what we can develop here as a team together. So with that, I will turn back to Danny for final comments and I want to thank all of our investors for your interest and we look forward to working with you down the road.

Daniel E. Brown
Chief Executive Officer & Director, Oasis Petroleum, Inc.

Thanks, Lynn. Yeah, just a few closing comments from me, echoing many of what the comments that Lynn has already made. I think this combination really creates a very, very exciting platform for our shareholders and really all of our stakeholders, including our employees. It's going to be a great platform for a return of capital given our asset base, it's going to be a fantastic platform to potentially pursue new opportunities if those new opportunities make sense. We're going to continue to be really prudent and with our capital investment as we go forward, but this is a very exciting thing, much stronger organization as a combined company than either organization was previously and should be an exciting new chapter for both companies. So very excited to have this call and look forward to sharing more details as we move forward. Thanks, everyone for joining the call.

Operator: Conference is now concluded. Thank you for attending today's presentation. You may now disconnect.