

## ***Oil & Gas Field Services Company Providing Wellhead Compression***

The Company is a well-regarded oil and gas field services company. Specifically, the Company provides wellhead compression and ancillary services, including preventative maintenance and repair services for the natural gas industry. The Company was founded in 1996 and is structured as a subchapter "S" corporation in the state of New Mexico.

The Company is located in XXXX, New Mexico, and operates from approximately 4,600 square feet in total facilities. The Company is staffed by a tenured base of approximately 24 non-union employees, including a strong non-owner management team.

The Company presently serves an active customer base comprising five core accounts in the natural gas production industry within the 6,700 square mile San Juan Basin. Customers are generally located within a 100-mile radius of Company headquarters. ConocoPhillips (five separate divisions), the Company's largest customer since inception, contributed approximately \$5.7 million in revenues in 2009, which represented approximately 93 percent of overall revenues.

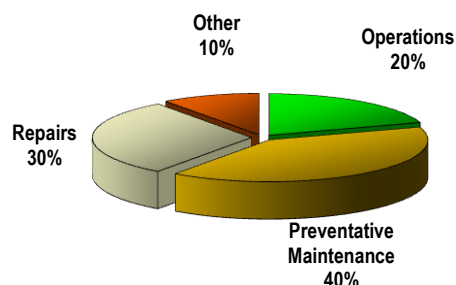
### **Investment Highlights**

- **Long-standing operating history:** The Company benefits from an enviable, long-standing (14 years) history characterized by remarkable operational and fiscal success owing to turnkey capabilities and a staunch focus on superior customer service.
- **Excellent safety track record:** A high safety rating is a key competitive advantage. A strong safety track record (certified independently) enables the Company to obtain new customers and retain existing ones.
- **Loyal customer relationships:** The Company boasts a strong, loyal customer base that contributes to a high rate of repeat business. Its top five customers in 2009 have been with the Company for an average of nine years.
- **Strong growth and profitability history:** Revenues increased at a compound annual growth rate (CAGR) of 20.7 percent from \$4.17 million in 2007 to \$6.08 million in 2009. Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) increased in nominal and percentage terms from \$1.43 million (34.3 percent margin) in 2007 to \$2.31 million (38.9 percent margin) in 2009.
- **Strong staff and management team in place:** The shareholders have built an excellent organization that does not require their involvement in day-to-day operations. A tenured staff, including an operations foreman and a field foreman, is capable of operating the business at a high level without ownership involvement.
- **Compelling growth potential:** Management is confident that significant growth can be achieved via increased business development efforts, geographic expansion, pursuit of parts sales, and increased capital investments in hiring additional personnel and expanding machinery and equipment capabilities.

## Capabilities

The Company provides wellhead compression and related services for the natural gas production industry in the San Juan Basin. The Company's turnkey capabilities include the operation of compression units (20 percent of sales), preventative maintenance services (40 percent), repairs (30 percent), and miscellaneous services (10 percent).

### Revenue Mix



### Recast Historical and Pro Forma Statement of Income<sup>(a)</sup> for the Fiscal Years Ended December 31 (\$000)

	Historical			Est.		Projected			
	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Sales</b>	4,171	5,892	6,077	5,000	6,000	7,000	8,000	9,000	10,000
<b>Cost of Sales</b>	199	319	348	275	330	385	440	495	550
% of Sales	4.8%	5.4%	5.7%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
<b>Operating Expenses</b>	2,615	3,834	3,642	3,000	3,570	4,130	4,680	5,220	5,750
% of Sales	62.7%	65.1%	59.9%	60.0%	59.5%	59.0%	58.5%	58.0%	57.5%
<b>EBITDA<sup>(b)</sup></b>	1,358	1,739	2,087	1,725	2,100	2,485	2,880	3,285	3,700
% of Sales	32.6%	29.5%	34.3%	34.5%	35.0%	35.5%	36.0%	36.5%	37.0%

(a) See Schedule 2 in the Financial Analysis section

(b) Earnings before Interest, Taxes, Depreciation and Amortization

For further information regarding **Client #80777** you are invited to contact: