Midstates Petroleum Company, Inc.
Form 10-K
March 16, 2015

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

ý **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .
Commission File Number: 001-35512

MIDSTATES PETROLEUM COMPANY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**45-3691816**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
321 South Boston, Suite 1000 Tulsa, Oklahoma	**74103**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(918) 974-8550**

Securities registered pursuant to Section 12(b) of the Act:

Common stock, $0.01 par value	**New York Stock Exchange**
(Title of each class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ý

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ý

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III or any amendment to the Form 10-K ý

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Check one:

Large accelerated filer o	Accelerated filer ý	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ý

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant was approximately $272 million based upon the closing price of such stock on June 30, 2014, the last business day of the registrant's most recently completed second fiscal quarter, of $7.23 per share.

The number of shares outstanding of our stock at March 9, 2015 is shown below:

Class	**Number of shares outstanding**
Common stock, $0.01 par value	72,196,132

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement of Midstates Petroleum Company, Inc. for the Annual Meeting of Shareholders to be held in May 2015, which will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. All statements other than statements of historical fact included in this annual report are forward-looking statements, including, without limitation, statements regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management. When used in this annual report, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "may," "continue," "predict," "potential," "project" and similar expressions are intended to identify forward-looking statements, although not all forward- looking statements contain such identifying words.

Forward-looking statements may include statements about our:

- business strategy;
- estimated future net reserves and present value thereof;
- technology;
- financial condition, revenues, cash flows and expenses;
- levels of indebtedness, liquidity and compliance with debt covenants;
- financial strategy, budget, projections and operating results;
- oil and natural gas realized prices;
- timing and amount of future production of oil and natural gas;
- availability of drilling and production equipment;
- availability of oilfield labor;
- availability of third party natural gas gathering and processing capacity;
- the amount, nature and timing of capital expenditures, including future development costs;
- availability and terms of capital;
- drilling of wells, including our identified drilling locations;

successful results from our identified drilling locations;

marketing of oil and natural gas;

the integration and benefits of asset and property acquisitions or the effects of asset and property acquisitions or dispositions on our cash position and levels of indebtedness;

infrastructure for salt water disposal and electricity;

sources of electricity utilized in operations and the related infrastructures;

costs of developing our properties and conducting other operations;

general economic conditions;

effectiveness of our risk management activities;

environmental liabilities;

counterparty credit risk;

the outcome of pending and future litigation;

governmental regulation and taxation of the oil and natural gas industry;

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developments in oil-producing and natural gas-producing countries;

uncertainty regarding our future operating results; and

plans, objectives, expectations and intentions contained in this annual report that are not historical.

All forward-looking statements speak only as of the date of this annual report. You should not place undue reliance on these forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. Although we believe that our plans, intentions and expectations reflected in or suggested by the forward-looking statements we make in this annual report are reasonable, we can give no assurance that these plans, intentions or expectations will be achieved or occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. We disclose important factors that could cause our actual results to differ materially from our expectations under "Risk Factors" and elsewhere in this annual report.

These factors include:

variations in the market demand for, and prices of, oil, natural gas liquids and natural gas;

uncertainties about our estimated quantities of oil and natural gas reserves;

the adequacy of our capital resources and liquidity including, but not limited to, access to additional borrowing capacity under our revolving credit facility;

access to capital and general economic and business conditions;

uncertainties about our ability to replace reserves and economically develop our current reserves;

risks in connection with acquisitions;

risks related to the concentration of our operations onshore in Oklahoma, Texas and Louisiana;

drilling results;

the potential adoption of new governmental regulations; and

our ability to satisfy future cash obligations and environmental costs.

These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

Moreover, we operate in a very competitive and rapidly changing environment. The price of oil and natural gas declined significantly in late 2014 and early 2015. Any continued or extended decline in oil and natural gas prices could have a material adverse effect on our financial position, results of operations, cash flows and access to capital. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make.

Reserve engineering is a process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by our reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ from the quantities of oil and natural gas that are ultimately recovered.

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GLOSSARY OF OIL AND NATURAL GAS TERMS

Bbl: One stock tank barrel, of 42 U.S. gallons liquid volume, used herein in reference to oil, condensate or natural gas liquids.

Boe: Barrels of oil equivalent, with 6,000 cubic feet of natural gas being equivalent to one barrel of oil.

Boe/day: Barrels of oil equivalent per day.

Completion: The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency.

Dry hole: A well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production do not exceed production expenses and taxes.

Exploratory well: A well drilled to find a new field or to find a new reservoir in a field previously found to be productive of natural gas or oil in another reservoir.

MMBoe: One million barrels of oil equivalent.

MMBtu: One million British thermal units.

Net acres: The percentage of total acres an owner has out of a particular number of acres, or a specified tract. An owner who has 50% interest in 100 acres owns 50 net acres.

NYMEX: The New York Mercantile Exchange.

Proved reserves: Those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. The area of the reservoir considered as proved includes (i) the area identified by drilling and limited by fluid contacts, if any, and (ii) adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons, as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty. Where direct observation from well penetrations has defined a highest known oil elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty. Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when (i) successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (ii) the project has been approved for development by all necessary parties and entities, including governmental entities. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price is the average price during the 12-month period prior to the ending date of the

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period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Reasonable certainty: A high degree of confidence.

Recompletion: The process of re-entering an existing wellbore that is either producing or not producing and completing new reservoirs in an attempt to establish or increase existing production.

Reserves: Estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible as of a given date by application of development projects to known accumulations.

Reservoir: A porous and permeable underground formation containing a natural accumulation of producible natural gas and/or oil that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

Spud or Spudding: The commencement of drilling operations of a new well.

Wellbore: The hole drilled by the bit that is equipped for oil or gas production on a completed well. Also called well or borehole.

Working interest: The right granted to the lessee of a property to explore for and to produce and own oil, gas, or other minerals. The working interest owners bear the exploration, development, and operating costs on a cash, penalty, or carried basis.

PART I

ITEM 1. BUSINESS

This Annual Report on Form 10-K and the documents incorporated herein by reference contain forward-looking statements based on expectations, estimates and projections as of the date of this filing. These statements by their nature are subject to risks, uncertainties, and assumptions and are influenced by various factors. As a consequence, actual results may differ materially from those expressed in the forward-looking statements. See "Cautionary Note Regarding Forward Looking Statements" and "Risk Factors" located in this Annual Report on Form 10-K.

In this section, references to "Company," "we," "us," "our," and "Midstates" when used in the present tense, prospectively or for historical periods since April 25, 2012, refer to Midstates Petroleum Company, Inc. and its subsidiary, and for historical periods prior to April 25, 2012, refer to Midstates Petroleum Holdings LLC and its subsidiary, unless the context indicates otherwise.

General

Midstates Petroleum Company, Inc. was incorporated pursuant to the laws of the State of Delaware on October 25, 2011 to become a holding company for Midstates Petroleum Company LLC ("Midstates Sub"), which was previously a wholly-owned subsidiary of Midstates Petroleum Holdings LLC. Pursuant to the terms of a corporate reorganization that was completed in connection with the closing of Midstates Petroleum Company, Inc.'s initial public offering on April 25, 2012, all of the interests in Midstates Petroleum Holdings LLC were exchanged for newly issued common shares of Midstates Petroleum Company, Inc., and as a result, Midstates Sub became a wholly-owned subsidiary of Midstates Petroleum Company, Inc. and Midstates Petroleum Holdings LLC ceased to exist as a separate entity. Our common stock, par value $0.01 per share, has been listed on the New York Stock Exchange (the "NYSE") since April 2012.

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On October 1, 2012, the Company closed on the acquisition of all of Eagle Energy Production, LLC's ("Eagle Energy") producing properties and undeveloped acreage located primarily in the Mississippian Lime liquids play in Oklahoma for $325 million in cash, before customary post-closing adjustments, and 325,000 shares of the Company's Series A Mandatorily Convertible Preferred Stock (the "Series A Preferred Stock") with an initial liquidation preference value of $1,000 per share (the "Eagle Property Acquisition"). The Company funded the cash portion of the Eagle Property Acquisition purchase price with a portion of the net proceeds from the private placement of $600 million in aggregate principal amount of 10.75% senior unsecured notes due 2020 (the "2020 Senior Notes"), which also closed on October 1, 2012.

On May 31, 2013, the Company closed on the acquisition of producing properties and undeveloped acreage in the Anadarko Basin in Texas and Oklahoma from Panther Energy Company, LLC and its partners for approximately $618 million in cash (the "Anadarko Basin Acquisition"), before customary post-closing adjustments. The Company funded the purchase price with a portion of the net proceeds from the private placement of $700 million in aggregate principal amount of 9.25% senior unsecured notes due 2021 (the "2021 Senior Notes" and, together with the 2020 Senior Notes, the "Senior Notes"), which also closed on May 31, 2013.

On May 1, 2014, the Company closed on the sale of all of its ownership interest in developed and undeveloped acreage in the Pine Prairie field area of Evangeline Parish, Louisiana to a private buyer for a purchase price of $170 million in cash, before customary post-closing adjustments. Acreage subject to the transaction totaled 3,907 gross (3,757 net) acres, and did not include our acreage and production in the western part of Louisiana in Beauregard and Calcasieu Parish or other undeveloped acreage held outside the Pine Prairie field.

The Company has oil and gas operations and properties in Oklahoma, Texas and Louisiana. At December 31, 2014, the Company operated oil and natural gas properties as one reportable segment engaged in the exploration, development and production of oil, natural gas liquids ("NGLs") and natural gas. The Company's management evaluated performance based on one reportable segment as there were not significantly different economic or operational environments within its oil and natural gas properties.

The following table summarizes, by areas of operation, our estimated proved reserves as of December 31, 2014, their corresponding pre-tax PV-10 values and our fourth quarter 2014 average daily production rates:

	Proved Reserves(1)						Average Daily Production for Three Months Ended December 31, 2014
	Oil (MBbl)	NGL (MBbl)	Gas (MMcf)	Total(2) (MBoe)	% Oil(4)	PV-10(3) (in thousands)	(Boe/day)
Areas of Operation							
Mississippian	51,494	28,957	350,064	138,796	58%	$ 2,055,345	25,039
Anadarko Basin	4,963	3,011	26,176	12,336	65%	262,705	7,337
Gulf Coast	1,785	560	1,605	2,612	90%	68,336	1,388
Total	**58,242**	**32,528**	**377,845**	**153,744**	**59%**	**$ 2,386,386**	**33,764**
Discounted Future Income Taxes						(513,025)	
Standardized Measure of Discounted Future Net Cash Flows(3)						**$ 1,873,361**	

(1) Oil, natural gas liquids and natural gas reserve quantities and related discounted future net cash flows have been derived from oil, natural gas liquids and natural gas prices calculated using an average of the first-day-of-the month price for each month within the 12 months ended December 31, 2014, pursuant

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to current SEC and FASB guidelines and were $94.99/Bbl for oil, $39.17/Bbl for NGLs and $4.35 per MMBtu for natural gas.

(2) Barrel of oil equivalents are determined using a ratio of one Bbl of crude to six Mcf of natural gas, which represents their approximate relative energy content.

(3) Pre-tax PV-10 may be considered a non-GAAP financial measure as defined by the SEC and is derived from the standardized measure of discounted future net cash flows, which is the most directly comparable GAAP financial measure. Pre-tax PV-10 is computed on the same basis as the standardized measure of discounted future net cash flows but without deducting future income taxes. We believe pre-tax PV-10 is a useful measure for investors for evaluating the relative monetary significance of our oil and natural gas properties. We further believe investors may utilize our pre-tax PV-10 as a basis for comparison of the relative size and value of our proved reserves to other companies because many factors that are unique to each individual company impact the amount of future income taxes to be paid. Our management uses this measure when assessing the potential return on investment related to our oil and natural gas properties and acquisitions. However, pre-tax PV-10 is not a substitute for the standardized measure of discounted future net cash flows. Our pre-tax PV-10 does not purport to present the fair value of our proved oil and natural gas reserves.

(4) Includes volumes attributable to oil and NGLs.

During 2014, we incurred the following operational and total capital expenditures (in thousands):

	For the Three Months Ended December 31, 2014	For the Twelve Months Ended December 31, 2014
Drilling and completion activities	$ 116,279	$ 511,295
Acquisition of acreage and seismic data	4,032	19,150
Operational capital expenditures incurred	**$ 120,311**	**$ 530,445**
Capitalized G&A, office, ARO & other	2,789	12,081
Capitalized interest	1,870	12,414
Total capital expenditures incurred	**$ 124,970**	**$ 554,940**

As noted above, we incurred operational capital expenditures of $530.4 million during the year ended December 31, 2014, of which $383.2 million was spent in the Mississippian Lime, $139.8 million was spent in the Anadarko Basin and $7.4 million was spent in the Gulf Coast area. We expect to invest between $250 million and $275 million of capital for exploration, development and lease and seismic acquisition in 2015. Additionally, we expect to capitalize between $4 million and $6 million of interest expense.

Strategies

Our goal is to grow our reserves, production and cash flows at an attractive rate of return on invested capital. To achieve these objectives, we strive to:

Operate in a safe and environmentally responsible manner;

Allocate capital to projects that generate the highest returns;

Maintain a sustainable, diverse inventory of low-cost, high-margin resource plays;

Drill in the highest potential areas of the resource plays in which we operate;

Build contiguous acreage positions that drive operating efficiencies;

Be the operator of our assets, whenever possible;

Be the low-cost driller and producer in each area where we operate;

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Utilize derivative contracts to mitigate the impact of oil, NGL or natural gas price volatility, while locking in acceptable cash flows required to support future capital expenditures; and

Attract and retain the best people.

Development of our multi-year drilling inventory. We intend to drill and develop our current acreage position to maximize the value of our primarily oil and liquids rich resource potential from resource plays in our core areas of operation where we can capitalize on our operating expertise. For 2015, we plan to allocate substantially all of our drilling and completions capital budget to development activities in the Mississippian area, based on the relatively stronger economic returns expected from these assets in the current commodity price and cost environment.

Mississippian. Our Mississippian assets acquired on October 1, 2012 are located in Oklahoma and target the Mississippian Lime and Hunton formations. The Mississippian Lime is an expansive carbonate hydrocarbon system located in the Anadarko Basin, primarily in northern Oklahoma. We currently intend to continue development of these liquids rich properties using horizontal wells and multi-stage frac technology. The Hunton formation is a limestone formation that produces primarily natural gas from our acreage in Lincoln County, Oklahoma. Because the Hunton targets primarily natural gas, our capital deployment will be focused on the Mississippian Lime until natural gas prices demonstrate sustained improvement from recent levels. At December 31, 2014, we had approximately 99,100 gross (79,000 net) acres under lease in the area, comprised of approximately 78,100 gross (66,300 net) leased acres in the Mississippian Lime and approximately 21,000 gross (12,700 net) acres in the Hunton. As of December 31, 2014, we had six drilling rigs in operation, and we currently have four drilling rigs in operation. We expect to spud between 58 to 64 gross (46 to 52 net) horizontal wells, including non-operated wells, during 2015 on this acreage.

Anadarko Basin. Our Anadarko Basin assets acquired on May 31, 2013 are located in Western Oklahoma and Texas and target multiple objectives in the Pennsylvanian section. We target the Cleveland, Marmaton, Cottage Grove and Tonkawa formations in the Anadarko Basin by utilizing horizontal wells and multi-stage frac technology. At December 31, 2014, we had approximately 161,500 gross (122,600 net) acres under lease in the Anadarko Basin, comprised of approximately 44,100 gross (32,300 net) leased acres in Oklahoma and approximately 117,400 gross (90,300 net) acres in the Texas. As of December 31, 2014, we did not have any drilling rigs in operation in this area. In the current price environment, we do not expect to spud any wells on this acreage during 2015. We intend to continue to evaluate this prospective acreage for future drilling plans if commodity prices continue to decline and/or drilling and completion costs experience sustained improvement.

Gulf Coast. At December 31, 2014 we had approximately 68,200 gross (50,600 net) acres under lease and/or lease option. On March 5, 2014, we executed a Purchase and Sale Agreement ("PSA") to sell all of our ownership interest in developed and undeveloped acreage in the Pine Prairie field area of Evangeline Parish, Louisiana to a private buyer. Acreage subject to the transaction totaled 3,907 gross (3,757 net) acres and closed on May 1, 2014. On June 25, 2014, we entered into an exploration agreement with PetroQuest Energy ("PetroQuest") to sell 50% of our ownership interest in the Fleetwood prospect area in Louisiana. During 2015, we plan to participate with PetroQuest and other owners in the joint exploration and development of the Fleetwood area in Iberville, Point Coupee, and West Baton Rouge Parish, Louisiana. We executed a PSA in March 2015 for the sale of our Dequincy assets, our only remaining producing properties in Louisiana, for total consideration of $44 million (subject to customary purchase price adjustments). The PSA includes our ownership interest in developed and undeveloped acreage totaling approximately 12,700 net mineral acres in the Dequincy area. During the fourth quarter 2014, the properties produced approximately 1,300 Boe per day. The

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transaction does not include our acreage and interests in the Fleetwood area of Louisiana. The net proceeds from the sale will be used to pay down a portion of the outstanding borrowings under our revolving credit facility and for general corporate purposes. The transaction has an effective date of March 1, 2015 and is expected to close on or before April 30, 2015, subject to customary closing conditions. In the last year, we have shifted capital from the Gulf Coast area and as of December 31, 2014 we did not have any operated rigs active in the area. Our intent is to continue high grading inventory in Louisiana for future capital deployment. Other than the Fleetwood project, we expect limited development activity in the Gulf Coast area in 2015 as we continue focusing on the development of our Mississippian assets.

Maintain operatorship across a diverse asset base. Our diverse set of assets and high degree of operating control, facilitated by our position as operator on the majority of our properties, provide flexibility with respect to drilling and completion techniques and the timing and amount of capital expenditures that support growth and help us meet our targeted financial profile.

Utilize our technical and operating expertise to enhance returns. Our technical teams are focused on the application of modern reservoir evaluation and drilling and completion techniques to reduce risk and enhance returns in our core areas. We utilize 2D, 3D and micro seismic data, existing sub-surface well control data, detailed reservoir characterization and geologic and geochemical modeling to identify areas with significant exploration and development potential. These areas become targets for our leasing activity. Once we have identified a potential target, we attempt to maximize returns by applying modern drilling and completion techniques that maximize recoveries in a cost efficient and economically attractive manner. We utilize reservoir evaluation methods such as conventional and rotary sidewall coring, pressure sampling and other reservoir description techniques to better understand the ultimate potential of a particular area. We believe future development across our acreage position can be further optimized with specialized completion techniques, infill drilling, horizontal wellbore optimization and enhanced recovery methods.

Selectively increase our acreage position. While we believe our existing acreage positions provide significant growth opportunities, we continue to strategically increase our leasehold position in what we believe are the most prospective areas of our acreage. We believe our current Oklahoma and Texas acreage is highly prospective in the Pennsylvanian and Mississippian Lime sections and may be prospective in both shallower and deeper geologic sections.

Apply rigorous investment analysis to capital allocation decisions. We employ rigorous investment analysis to determine the allocation of capital across our many drilling opportunities and in evaluating potential acquisitions. We are focused on maximizing the internal rate of return on our investment capital and screen drilling opportunities and acquisition opportunities by measuring risk and financial return, among other factors. We continually evaluate our inventory of potential investments by these measures, incorporating past drilling results, historical knowledge and new information we have gathered.

Extensive technical knowledge in our areas of operations. In our Mississippian Lime area, we believe our team's early experience operating in this trend gives us a competitive advantage with respect to geological understanding, drilling and completion techniques and infrastructure development. In the Anadarko Basin area, that we have a history of drilling horizontally in several of the Pennsylvanian sands since 2005. We have had operations in the Upper Gulf Coast Tertiary trend since 1993. We believe our extensive operating experience in the trend provides us with an expansive technical understanding and ability to optimize production from these properties. We believe we have developed amicable and mutually beneficial relationships with acreage owners in all of our core operating areas, which we believe also provides us with a competitive advantage with respect to our leasing and development activity. We also benefit from long-term relationships with local service companies and infrastructure providers that we believe contribute to our efficient low-cost operations.

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Summary of Oil and Gas Properties and Operations

Mississippian Lime

At December 31, 2014, our Mississippian Lime assets consisted of approximately 66,300 net prospective acres in the Mississippian Lime trend, with 64,100 net acres in Woods and Alfalfa Counties of Oklahoma, which we currently believe is the core of the trend. We currently intend to develop these liquids-rich properties using horizontal wells. We also own approximately 12,700 net acres in Lincoln County, Oklahoma, which produces from, and is prospective in, the Hunton formation.

Our properties in this area represented 90% of our total proved reserves as of December 31, 2014. As of December 31, 2014, we held an average working interest and average net revenue interest of 69% and 55%, respectively, in this area.

For the three months ended December 31, 2014 and 2013 and the years ended December 31, 2014 and 2013, our average daily production from this area was as follows:

	Three Months Ended December 31,			Years Ended December 31,		
	2014	2013	Increase in Production	2014	2013	Increase in Production
Average daily production:						
Oil (Bbls)	10,060	6,325	59%	8,411	4,567	84%
Natural gas liquids (Bbls)	4,809	3,622	33%	4,437	2,620	69%
Natural gas (Mcf)	61,025	45,794	33%	52,024	34,784	50%
Net Boe/day	25,039	17,579	42%	21,518	12,985	66%

During 2014, we invested approximately $383.2 million and spud 76 net horizontal wells in this region. In the three months ended December 31, 2014, we spud 16 net wells and brought 24 net wells online. Of the 16 net wells spud during the quarter, three were drilling, 10 were awaiting completion and three were producing at year-end.

Our main operating area in the Mississippian Lime is defined by de-risked acreage primarily in Woods County, where we are engaged in development drilling. Our current development drilling is targeting the Mississippian Lime interval, where we anticipate ultimate development of at least four horizontal wells per 640 acre section. We are also testing different drilling and completion techniques to determine the most cost effective design in this area.

In 2015, we plan to invest approximately $250 million to $275 million in the spudding of between 58 to 64 gross wells, including non-operated wells. Our plans are to continue to actively develop this area while evaluating exploration potential beyond our current position.

Expansion Areas within Mississippian Lime

The majority of our rigs currently operating in the Mississippian Lime are focused on infill drilling in our core area; during 2015, we plan to drill four to six wells to extend our de-risked acreage to the west and hold acreage.

Anadarko Basin

Our Anadarko Basin assets were acquired on May 31, 2013, and at December 31, 2014, consisted of approximately 122,600 net acres in the Anadarko Basin, with 90,300 net acres in Texas and 32,300 net acres in western Oklahoma. We took over operation of the properties on December 1, 2013. As of December 31, 2014, we did not have any drilling rigs in operation in this area.

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Our properties in this area represented 8% of our total proved reserves as of December 31, 2014. As of December 31, 2014, we held an average working interest and average net revenue interest of 66% and 52%, respectively, in this area.

For the three months ended December 31, 2014 and 2013 and the years ended December 31, 2014 and 2013, our average daily production from this area was as follows:

	Three Months Ended December 31,			Years Ended December 31,		
	2014	2013	Decrease in Production	2014	2013(1)	Increase in Production
Average daily production:						
Oil (Bbls)	3,343	3,940	(15)%	4,014	2,239	79%
Natural gas liquids (Bbls)	1,703	1,816	(6)%	1,766	1,082	63%
Natural gas (Mcf)	13,749	16,190	(15)%	14,930	9,559	56%
Net Boe/day	7,337	8,454	(13)%	8,269	4,914	68%

(1) Note that as the Anadarko Basin Acquisition closed on May 31, 2013, this represents the impact to average annual production for the period of May 31, 2013 through December 31, 2013.

During 2014, we invested approximately $139.8 million and spud 26 net horizontal wells in the area. In the three months ended December 31, 2014, we spud three net wells and brought two net wells online. Of the three net wells spud during the quarter, two were awaiting completion and one was producing at year-end. Since year-end, three wells have been completed and brought online.

In the current commodity price and drilling and completion cost environment, we do not currently plan to spud any wells on this acreage during 2015, however we will continue to evaluate for opportunities. For 2015, our efforts will focus on reducing well maintenance costs and production downtime and these efforts alone will not be sufficient to arrest the natural decline in production that occurs as we deplete our developed reserves. Additionally, because of our limited capital resources, we may allow leasehold rights on acreage not held by production to expire, which could reduce our future drilling opportunities in this area.

Gulf Coast

In the Gulf Coast, our current acreage positions and evaluation efforts are concentrated in Louisiana in the Wilcox interval of the Upper Gulf Coast Tertiary trend and is characterized by well-defined geology, including tight sands featuring multiple productive zones typically located within large geologic traps. As of December 31, 2014, we had including acreage in the Fleetwood area, approximately 50,600 net acres in the trend under lease and/or lease option.

We closed on the sale of producing properties and undeveloped acreage in the Pine Prairie field area of Evangeline Parish, Louisiana on May 1, 2014 for estimated net proceeds of $147.5 million in cash, after post-closing adjustments. The sale has an effective date of November 1, 2013. Acreage subject to the transaction totaled 3,907 gross (3,757 net) acres, and did not include our acreage and production in the western part of Louisiana in Beauregard Parish or other undeveloped acreage held outside the Pine Prairie field. Production from the assets included in this sale averaged 626 and 3,453 Boe/d during the years ended December 31, 2014 and 2013, respectively, and 2,366 Boe/d during the quarter ended December 31, 2013. There was no production from Pine Prairie during the quarter ended December 31, 2014. Our remaining Gulf Coast areas of operation are concentrated in the South Bearhead and North Coward's Gully fields.

On June 25, 2014, we entered into an exploration agreement with PetroQuest to sell 50% of our ownership interest in the Fleetwood prospect area in Louisiana. We plan to participate with PetroQuest

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and other owners in the joint exploration and development of the Fleetwood area in Iberville, Point Coupee, and West Baton Rouge Parish, Louisiana. There are currently three wells planned to be spud in the first six months of the year; we will have a carried working interest ranging from 25% to 50% in those wells. The carried working interest is capped at a total credit of $14 million.

In March 2015, we executed a PSA for the sale of our Dequincy assets, our only remaining producing properties in Louisiana, for total consideration of $44 million (subject to customary purchase price adjustments). The PSA includes our ownership interest in developed and undeveloped acreage totaling approximately 12,700 net mineral acres in the Dequincy area. During the fourth quarter 2014, the properties produced approximately 1,300 Boe per day. The transaction does not include our acreage and interests in the Fleetwood area of Louisiana. The net proceeds from the sale will be used to pay down a portion of the outstanding borrowings under our revolving credit facility and for general corporate purposes. The transaction has an effective date of March 1, 2015 and is expected to close on or before April 30, 2015, subject to customary closing conditions.

Our properties in this area represented 2% of our total proved reserves as of December 31, 2014. As of December 31, 2014, we held an average working interest and average net revenue interest of 96% and 75%; respectively, in this area.

For the quarter ended December 31, 2014 and 2013, and years ended December 31, 2014 and 2013, our average daily production from the area was as follows:

	Three Months Ended December 31,			Years Ended December 31,		
	2014(1)	2013	Decrease in Production	2014(1)	2013	Decrease in Production
Average daily production:						
Oil (Bbls)	959	3,375	(72)%	1,669	3,890	(57)%
Natural gas liquids (Bbls)	278	995	(72)%	419	1,008	(58)%
Natural gas (Mcf)	911	4,706	(81)%	1,574	6,772	(77)%
Net Boe/day	1,388	5,154	(73)%	2,350	6,027	(61)%

(1) Note that as the Pine Prairie Disposition closed on May 1, 2014, this represents the majority of the impact to average annual production for the period of January 1, 2014 through May 1, 2014.

In the last year, we have shifted capital to the Mississippian Lime assets and as of December 31, 2014 did not have any rigs in operation in the Gulf Coast. Our intent is to continue high grading inventory in Louisiana for future capital deployment. Other than the Fleetwood area, we expect limited activity as we continue focusing on our Mississippian assets. We currently have no drilling rigs operating in this area as we have devoted our capital to developing our Mississippian Lime assets; however, we plan to continue to evaluate our acreage as well as other potential exploration opportunities in the Gulf Coast area. Because of our limited activity in this area, our production will continue to decline as we deplete our developed reserves.

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Estimated Proved Reserves

	Oil (MBbl)	NGL (MBbl)	Gas (MMcf)	Total (MBoe)
2012				
Proved Reserves				
Beginning Balance	15,716	4,031	38,692	26,196
Revision of previous estimates	(1,368)	(193)	(8,533)	(2,982)
Extensions, discoveries and other additions	12,262	3,232	32,646	20,935
Purchases of reserves in place	13,010	7,745	85,293	34,969
Production	(2,093)	(617)	(5,695)	(3,659)
Net proved reserves at December 31, 2012	**37,527**	**14,198**	**142,403**	**75,459**
Proved developed reserves, December 31, 2012	**13,207**	**5,437**	**54,775**	**27,774**
Proved undeveloped reserves, December 31, 2012	**24,320**	**8,761**	**87,628**	**47,685**
2013				
Proved Reserves				
Beginning Balance	37,527	14,198	142,403	75,459
Revision of previous estimates	(13,511)	(3,259)	(20,762)	(20,230)
Extensions, discoveries and other additions	17,538	8,812	103,551	43,608
Purchases of reserves in place	17,242	8,124	73,653	37,642
Production	(3,897)	(1,719)	(18,647)	(8,724)
Net proved reserves at December 31, 2013	**54,899**	**26,156**	**280,198**	**127,755**
Proved developed reserves, December 31, 2013	19,853	10,321	111,410	48,743
Proved undeveloped reserves, December 31, 2013	35,046	15,835	168,788	79,012
2014				
Proved Reserves				
Beginning Balance	54,899	26,156	280,198	127,755
Revision of previous estimates	(11,563)	(4,444)	(41,510)	(22,925)
Extensions, discoveries and other additions	30,232	15,414	188,336	77,035
Sales of reserves in place	(10,182)	(2,181)	(24,166)	(16,391)
Production	(5,144)	(2,417)	(25,013)	(11,730)
Net proved reserves at December 31, 2014	**58,242**	**32,528**	**377,845**	**153,744**
Proved developed reserves, December 31, 2014	27,181	16,443	179,972	73,620
Proved undeveloped reserves, December 31, 2014	31,061	16,085	197,873	80,124

Our proved reserves have grown from 75.5 to 127.8 MMBoe from year end 2012 to year end 2013 and from 127.8 to 153.7 MMBoe from year end 2013 to year end 2014. Our reserve growth in these periods is due directly to the extensions and discoveries associated with our drilling activities in each year and, during 2012, the Eagle Property Acquisition and during 2013, the Anadarko Basin Acquisition. As a result, we have increased our average daily production at a compound annual growth rate of 79% from 995 Boe/d in the year ended December 31, 2008 to 32,137 Boe/d in the year ended December 31, 2014.

Our proved developed reserves have increased 24.9 MMBoe from 48.7 MMBoe (or 38% of total reserves) to 73.6 (or 48% of total reserves) as a result of our drilling activities. Our proved undeveloped reserves have grown from 79.0 MMBoe to 80.1 MMBoe from December 31, 2013 to December 31, 2014. During this time, we spent $237 million of our capital expenditures on drilling proved undeveloped locations and converted 14.9 MMBoe from proved undeveloped reserves to proved developed reserves. In addition, we added 77.0 MMBoe of proved undeveloped reserves through extensions and discoveries and had net negative revisions of 22.9 MMBoe related to proved

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undeveloped reserves, of which 3.1 MMBoe related to reductions at our Gulf Coast area and 22.1 MMBoe related to reductions in our Anadarko Basin area, offset by 2.3 MMBoe in positive revisions in the Mississippian Lime area. These net negative revisions in the Gulf Coast were primarily due to our lack of future development plans in this area. The net negative revisions in the Anadarko Basin were primarily due to our current drilling plans which did not allow for development of these proved undeveloped reserves within five years of their initial booking.

In addition, 16.4 MMBoe of reserves were sold as a result of the Pine Prairie Disposition, which closed on May 1, 2014.

All of our proved undeveloped reserves as of December 31, 2014 are expected to be developed within five years of their initial booking.

Independent petroleum engineers

Mississippian Lime, Anadarko, and Gulf Coast Area Reserves

For our Mississippian Lime and Anadarko area, our estimated reserves and related future net revenues at December 31, 2014 are based on reports prepared by Cawley, Gillespie & Associates, Inc. ("CGA"), in accordance with generally accepted petroleum engineering and evaluation principles and definitions and guidelines in effect during such period established by the SEC. For our Anadarko area, our estimated reserves and related future net revenues at December 31, 2013 are based on reports prepared by Cawley, Gillespie & Associates, Inc. ("CGA"), in accordance with generally accepted petroleum engineering and evaluation principles and definitions and guidelines in effect during such period established by the SEC.

The reserves estimates shown herein have been independently evaluated by CGA, a worldwide leader of petroleum property analysis for industry and financial organizations and government agencies. CGA was founded in 1961 and performs consulting petroleum engineering services under Texas Board of Professional Engineers Registration No. F-693. Within CGA, the technical person primarily responsible for preparing the estimates set forth in the reserves report incorporated herein was Mr. Zane Meekins. Mr. Meekins has been a practicing consulting petroleum engineer at CGA since 1989. Mr. Meekins is a Registered Professional Engineer in the State of Texas (License No. 71055) and has over 27 years of practical experience in petroleum engineering, with over 25 years of experience in the estimation and evaluation of reserves. He graduated from Texas A&M University in 1987 with a Bachelor of Science degree in Petroleum Engineering. Mr. Meekins meets or exceeds the education, training, and experience requirements set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers; he is proficient in judiciously applying industry standard practices to engineering and geoscience evaluations as well as applying SEC and other industry reserve definitions and guidelines.

Our estimated reserves and related future net revenues for the Mississippian Lime area at December 31, 2013 and 2012 were based on reports prepared by NSAI, in accordance with generally accepted petroleum engineering and evaluation principles and definitions and guidelines in effect during such period established by the SEC.

Our estimated reserves and related future net revenues at December 31, 2014 for the Gulf Coast area are based on reports prepared by Netherland, Sewell & Associates, Inc. ("NSAI"), in accordance with generally accepted petroleum engineering and evaluation principles and definitions and guidelines in effect during such period established by the SEC. Our estimated reserves and related future net revenues for the Gulf Coast area at December 31, 2013 and 2012 were based on reports prepared by NSAI, in accordance with generally accepted petroleum engineering and evaluation principles and definitions and guidelines in effect during such period established by the SEC.

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The reserves estimates shown herein have been independently evaluated by Netherland, Sewell & Associates, Inc. (NSAI), a worldwide leader of petroleum property analysis for industry and financial organizations and government agencies. NSAI was founded in 1961 and performs consulting petroleum engineering services under Texas Board of Professional Engineers Registration No. F-2699. Within NSAI, the technical persons primarily responsible for preparing the estimates set forth in the NSAI reserves report incorporated herein are Mr. Robert C. Barg and Mr. Philip R. Hodgson. Mr. Barg, a Licensed Professional Engineer in the State of Texas (No. 71656), has been practicing consulting petroleum engineering at NSAI since 1989 and has over 6 years of prior industry experience. He graduated from Purdue University in 1983 with a Bachelor of Science Degree in Mechanical Engineering. Mr. Hodgson, a Licensed Professional Geoscientist in the State of Texas, Geology (No. 1314), has been practicing consulting petroleum geoscience at NSAI since 1998 and has over 14 years of prior industry experience. He graduated from University of Illinois in 1982 with a Bachelor of Science Degree in Geology and from Purdue University in 1984 with a Master of Science Degree in Geophysics. Both technical principals meet or exceed the education, training, and experience requirements set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers; both are proficient in judiciously applying industry standard practices to engineering and geoscience evaluations as well as applying SEC and other industry reserves definitions and guidelines.

Technology used to establish proved reserves

Under Rule 4-10(a)(22) of Regulation S-X, as promulgated by the SEC, proved reserves are those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations. The term "reasonable certainty" implies a high degree of confidence that the quantities of oil and/or natural gas actually recovered will equal or exceed the estimate. Reasonable certainty can be established using techniques that have been proved effective by actual production from projects in the same reservoir or an analogous reservoir or by other evidence using reliable technology that establishes reasonable certainty. Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

In order to establish reasonable certainty with respect to our estimated proved reserves, NSAI and CGA employed technologies that have been demonstrated to yield results with consistency and repeatability. The technologies and economic data used in the estimation of our proved reserves include, but are not limited to, electrical logs, radioactivity logs, core analyses, geologic maps and available downhole and production data, seismic data and well test data.

Internal controls over reserves estimation process

We maintain an internal staff of petroleum engineers, land and geoscience professionals who work closely with our independent reserve engineers to ensure the integrity, accuracy and timeliness of data furnished to NSAI and CGA in their reserves estimation process. The primary inputs to the reserve estimation process are comprised of technical information, financial data, ownership interests and production data. All field and reservoir technical information, which is updated annually, is assessed for validity when the reservoir engineers hold technical meetings with geoscientists, operations and land personnel to discuss field performance and to validate future development plans. Current revenue and expense information is obtained from the Company's accounting records, which are subject to external quarterly reviews, annual audits and their own set of internal controls over financial reporting. All current financial data such as commodity prices, lease operating expenses, production taxes and field

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commodity price differentials are updated in the reserve database and then analyzed to ensure that they have been entered accurately and that all updates are complete. The Company's current ownership in mineral interests and well production data are incorporated into the reserve database as well and verified to ensure their accuracy and completeness. At December 31, 2014, Mick Matejka, our Director Corporate Reserves, was the technical person primarily responsible for overseeing the preparation of our reserve estimates and reported directly to the CEO. Mr. Matejka has over 15 years of experience in the estimation and evaluation of oil and gas assets. Mr. Matejka started his career with Royal Dutch Shell working as a reservoir engineer for various asset teams in the Gulf of Mexico and the Lower 48, and eventually as exploration portfolio manager. Prior to joining Midstates Petroleum in 2012, Mr. Matejka had been a Sr. District engineer with Samson Resources, responsible for the evaluation of Samson's Haynesville shale asset. At Midstates Mr. Matejka headed the engineering evaluation of both the Eagle Energy and Panther Energy acquisitions, prior to transitioning into the role of Director Corporate Reserves. Mr. Matejka graduated from the University of Leoben, Austria as Diplom Ingenieur in Petroleum Business in 1998 and from the University of Oklahoma in 2001 with a Master of Science Degree in Petroleum Engineering. Furthermore Mr. Matejka holds an MBA from Heriot-Watt University, UK. Throughout each fiscal year, our technical team meets with representatives of our independent reserve engineers to review properties and discuss methods and assumptions used in preparation of the proved reserves estimates. While we have no formal committee specifically designated to review reserves reporting and the reserves estimation process, the reserve report is reviewed by our senior management with representatives of our independent reserve engineers and internal technical staff.

In connection with our annual evaluation of the effectiveness of our internal control over financial reporting for the year ended December 31, 2013, we determined that, as of December 31, 2013, we did not maintain effective internal control over the accuracy and valuation of oil and gas reserves estimates. During the year ended December 31, 2014, we have made changes in our internal control over financial reporting (specifically over the preparation of oil and gas reserve estimates) that have materially affected our internal control over financial reporting. For the year ended December 31, 2014, management concluded that the material weakness over the preparation of oil and gas reserve estimates (previously identified during the year ended December 31, 2013) had been remediated and that the Company maintained effective internal control over the accuracy and valuation of the oil and gas estimates. Please see "Management's Annual Report on Internal Control over Financial Reporting" in Item 9A of this Annual Report.

Production, revenues and price history

Oil and natural gas are commodities. The price that we receive for the oil and natural gas we produce is largely a function of market supply and demand. Demand for oil and natural gas in the United States has increased dramatically during the past decade. However, the economic slowdown during the second half of 2008 and through 2009 reduced this demand. Demand for oil increased during 2010, 2011 and 2012, but demand for natural gas has remained sluggish and the price of natural gas has remained relatively depressed due to increasing supplies from shale plays. Additionally, the price of oil substantially declined in the fourth quarter of 2014 due to a variety of macro economic factors, including increasing supply, strengthening of the US dollar and forecasts of slower worldwide economic growth. Commodity prices have varied substantially over the past year. The spot natural gas prices during 2014 ranged from a high of $8.15 to a low of $2.99 per MMBtu and the spot oil prices during 2014 ranged from a high of $107.95 to a low of $53.45 per Bbl. Thus far in 2015, commodity prices have continued to be depressed and volatile, with spot natural gas prices ranging from a high of $3.32 to a low of $2.62 per MMBtu and the spot oil prices ranging from a high of $53.56 to a low of $44.08 per Bbl through March 2, 2015. Demand is impacted by general economic conditions, weather and other seasonal conditions. Over or under supply of oil or natural gas can result in substantial price volatility. Historically, commodity prices have been volatile and we expect that volatility to continue in

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the future. A continued substantial or extended decline in oil or natural gas prices or poor drilling results could have a material adverse effect on our financial position, results of operations, cash flows, quantities of oil and natural gas reserves that may be economically produced and our ability to access capital markets. The following table sets forth information regarding oil, NGLs and natural gas production, revenues and realized prices and production costs for the years ended December 31, 2014, 2013 and 2012. For additional information on price calculations, see information set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operation."

	Years Ended December 31,		
	2014	2013	2012
Operating Data:			
Net production volumes:			
Oil (MBbls)	5,144	3,904	2,093
NGLs (MBbls)	2,417	1,719	617
Natural gas (MMcf)	25,013	18,657	5,695
Total oil equivalents (MBoe)	11,730	8,733	3,659
Average daily production (Boe/d)	32,137	23,927	9,999
Average Sales Prices:			
Oil, without realized derivatives (per Bbl)	$ 90.71	$ 99.18	$ 104.35
Oil, with realized derivatives (per Bbl)	$ 87.40	$ 93.41	$ 95.05
Natural gas liquids, without realized derivatives (per Bbl)	$ 36.31	$ 36.26	$ 38.27
Natural gas liquids, with realized derivatives (per Bbl)	$ 36.40	$ 37.09	$ 40.48
Natural gas, without realized derivatives (per Mcf)	$ 3.97	$ 3.39	$ 2.81
Natural gas, with realized derivatives (per Mcf)	$ 3.91	$ 3.58	$ 3.21
Costs and Expenses (per Boe of production):			
Lease operating and workover	$ 6.79	$ 8.41	$ 8.34
Gathering and transportation	$ 1.14	$ 0.62	$
Severance and other taxes	$ 2.07	$ 3.12	$ 6.81
Asset retirement accretion	$ 0.15	$ 0.17	$ 0.20
Depreciation, depletion and amortization	$ 23.01	$ 28.67	$ 34.32
Impairment of oil and gas properties	$ 7.37	$ 51.91	$
General and administrative	$ 4.15	$ 6.10	$ 8.35
Acquisition and transaction costs	$ 0.35	$ 1.35	$ 4.07
Other	$ 0.44	$ 0.07	$

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The following table sets forth information regarding oil, NGLs and natural gas daily production for each of the fields that represented more than 15% of our estimated total proved reserves as of December 31, 2014:

	Years Ended December 31,		
	2014	2013	2012
Mississippian(1)			
Daily production volumes:			
Oil (Bbls)	8,401	4,550	203
NGLs (Bbls)	4,093	1,908	123
Natural gas (Mcf)	50,164	30,070	1,289
Total oil equivalents (Net Boe/day)	**20,854**	**11,470**	**541**
Anadarko(2)			
Daily production volumes:			
Oil (Bbls)	4,014	2,239	
NGLs (Bbls)	1,766	1,082	
Natural gas (Mcf)	14,930	9,559	
Total oil equivalents (Net Boe/day)	**8,269**	**4,914**	

(1) These volumes represent only Mississippian Lime production and do not include Hunton production volumes.

(2) Anadarko production volumes for 2013 include production from May 31, 2013, the date of acquisition of the Anadarko Basin Properties, through December 31, 2013.

Productive Wells

The following table presents our total gross and net productive wells as of December 31, 2014:

	Oil		Natural Gas		Total	
	Gross	Net	Gross	Net	Gross	Net
Total productive wells	611	417	54	40	665	457

Gross wells are the number of wells in which a working interest is owned, and net wells are the total of our fractional working interest owned in gross wells.

Acreage

The following table sets forth certain information regarding the developed and undeveloped acreage in which we have a controlling interest as of December 31, 2014 for each of our operating areas. Acreage related to royalty, overriding royalty and other similar interests is excluded from this summary.

	Developed Acres		Undeveloped Acres		Total Acres	
	Gross	Net	Gross	Net	Gross	Net
Mississippian Lime	82,778	65,627	16,299	13,390	99,077	79,017
Anadarko Basin	118,386	95,306	43,092	27,294	161,478	122,600

Gulf Coast	10,785	10,783	57,375	39,796	68,160	50,579
Total	**211,949**					