

CHESAPEAKE GRANITE WASH TRUST

A Delaware Statutory Trust

The Bank of New York Mellon Trust Company, N.A., Trustee
Global Corporate Trust
601 Travis Street, Floor 16
Houston, Texas 77002

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Federal EIN: 45-6355635
NAICS: 533110
SIC Code: 6792

2025 Annual Report

For the period ended December 31, 2025 (the "Reporting Period")

ISSUER'S EQUITY SECURITIES

Common Units representing beneficial interests in the Trust ("Common Units")

OTCID Basic Market: CHKR

Outstanding Common Units

The number of Common Units outstanding was:

- 46,750,000 Common Units as of March 26, 2026
- 46,750,000 Common Units as of December 31, 2025

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: No:

Change in Control

Indicate by check mark whether a Change in Control of the company has occurred during this reporting period:

Yes: No:

Table of Contents

	<u>Page</u>
<u>Glossary of Certain Terms</u>	<u>1</u>
<u>Item 1. Name and address(es) of the issuer and its predecessors (if any)</u>	<u>4</u>
<u>Item 2. Security Information</u>	<u>4</u>
<u>Item 3. Issuance History</u>	<u>7</u>
<u>Item 4. Issuer’s Business, Products and Services</u>	<u>7</u>
<u>Item 5. Issuer’s Facilities</u>	<u>8</u>
<u>Item 6. All Officers, Directors, and Control Persons of the Company</u>	<u>10</u>
<u>Item 7. Legal/Disciplinary History</u>	<u>10</u>
<u>Item 8. Third Party Service Providers</u>	<u>11</u>
<u>Item 9. Disclosure & Financial Information</u>	<u>12</u>
<u>Item 10. Issuer Certification</u>	<u>14</u>
<u>Exhibit – Financial Statements and Supplementary Data</u>	<u>F-1</u>
<u>Annex A - Annual Reserve Report</u>	<u>A-1</u>

Chesapeake Granite Wash Trust, the “Trust”, is a statutory trust formed in June 2011 under the Delaware Statutory Trust Act. The Trust was created to own royalty interests for the benefit of Trust unitholders and the business and affairs of the Trust are managed by The Bank of New York Mellon Trust Company, N.A., as Trustee. Accordingly, the Trust has no principal executive officer, principal financial officer, board of directors or persons performing similar functions.

All references in this Annual Report to the “Trust” refer to Chesapeake Granite Wash Trust. The royalty interests conveyed on November 16, 2011 by Chesapeake Energy Corporation from its interests in certain properties in the Colony Granite Wash formation in Oklahoma and held by the Trust are referred to as the “Royalty Interests.” References to “Chesapeake” refer to Chesapeake Energy Corporation and, where the context requires, its subsidiaries. References to “Tapstone” refer to Tapstone Energy Holdings, LLC or its wholly owned subsidiary Tapstone Energy LLC, as applicable. References to “Operator” refer to (i) Diversified Energy Company and, where the context requires, its subsidiaries at all times after consummation of the Merger (as defined below), (ii) Tapstone Energy, LLC at all times from December 11, 2020 and prior to the consummation of the Merger, and (iii) Chesapeake at all times prior to December 11, 2020. Commencing as of December 7, 2021, Diversified, through Tapstone, its wholly owned subsidiary, owns and operates all Underlying Properties (as defined below) held by the Trust. On November 21, 2025, Diversified Energy Company PLC completed a redomestication to the United States from the United Kingdom, resulting in Diversified Energy Company, a Delaware corporation, becoming the publicly traded parent company. Throughout this report, references to “Diversified” or the “Company” (i) for periods prior to the completion of the redomestication, refer to Diversified Energy Company PLC and (ii) for periods beginning at or after the completion of the redomestication, refer to Diversified Energy Company.

CHESAPEAKE GRANITE WASH TRUST

A Delaware Statutory Trust

2025 Annual Report

Glossary of Certain Terms

In this Annual Report, the following terms have the meanings specified below. Other terms are defined in the text of this Annual Report.

“Administrative Services Agreement”: An administrative services agreement the Trust entered into on November 16, 2011 with the Administrative Servicer, effective July 1, 2011, pursuant to which the Administrative Servicer provides the Trust with certain accounting, tax preparation, bookkeeping and information services related to the Royalty Interests and the Registration Rights Agreement.

“Administrative Servicer”: The company providing the Trust with certain accounting, tax preparation, bookkeeping and information services related to the Royalty Interests and the Registration Rights Agreement in accordance with the Administrative Services Agreement. Pursuant to an agreement between Tapstone and Chesapeake following the divestiture of the Underlying Properties, (i) Chesapeake served as the Administrative Servicer through the filing of the 2020 Annual Report with the SEC and (ii) Tapstone is the Administrative Servicer for all periods subsequent to the filing of the 2020 Annual Report with the SEC. Following consummation of the Merger, all duties previously performed by Tapstone and its subsidiaries with respect to the Trust are now performed by Diversified.

“AMI”: The area of mutual interest, or AMI, lies within Washita County in western Oklahoma and is limited to the Colony Granite Wash formation in the area identified below, consisting of approximately 40,500 gross acres (26,400 net acres) held by Tapstone as of December 31, 2025.

“Assignment Agreement”: Assignment and Assumption Agreement, dated as of December 11, 2020, by and among Chesapeake, Chesapeake Exploration, L.L.C., Chesapeake E&P Holding, L.L.C., and Tapstone, pursuant to which Tapstone agreed to assume all duties and obligations of Chesapeake and its subsidiaries under each of the Trust Agreement, the Administrative Services Agreement, the royalty conveyances and the Registration Rights Agreement following the divestiture by Chesapeake of the Underlying Properties and 23,750,000 Common Units.

“Chesapeake”: Chesapeake Energy Corporation.

“Common Unit”: A Common Unit (as defined in the Trust Agreement) representing a beneficial interest in the Trust.

“Delaware Trustee”: The Corporation Trust Company, as Delaware trustee.

“Development Wells”: As defined by the SEC, a development well is a well drilled within the proved area of an oil or natural gas reservoir to the depth of a stratigraphic horizon known to be productive. For the purposes of the Trust and as used herein, references to “Development Wells” refer to the 118 horizontal development wells that, since July 1, 2011, have been drilled on properties held by the Operator in the AMI and in which the Trust has received an interest.

“Diversified”: Diversified Energy Company, the parent of Diversified Production.

“Diversified Production”: Diversified Production LLC.

“Merger”: On October 6, 2021, Tapstone Holdings entered into the Merger Agreement. Upon the terms and subject to the conditions set forth in the Merger Agreement, a wholly owned subsidiary of Diversified merged with and into Tapstone Holdings with Tapstone Holdings as the surviving entity, resulting in Tapstone Holdings and Tapstone becoming wholly owned subsidiaries of Diversified. The transactions provided for under the Merger Agreement were consummated on December 7, 2021, and Tapstone Holdings became a wholly owned subsidiary of Diversified on such date.

“Merger Agreement”: That certain Agreement and Plan of Merger, dated October 6, 2021, with Diversified and certain of its affiliates, including Diversified Production.

“Natural Gas Liquids” or “NGL”: Hydrocarbons in natural gas that are separated from the gas as liquids through the process of absorption, condensation, adsorption or other methods in gas processing or cycling plants. Natural gas liquids primarily include ethane, propane, butane, isobutene, pentane, hexane and natural gasoline.

“Operator”: The company that holds the AMI, owns the Underlying Properties and is bound by the terms of the Trust Agreement. References to “Operator” refer to (i) Diversified Energy Company and, where the context requires, its subsidiaries, at all times after consummation of the Merger (as defined below), (ii) Tapstone Energy, LLC at all times from December 11, 2020 and prior to the consummation of the Merger, and (iii) Chesapeake at all times prior to December 11, 2020.

“Producing Wells”: As defined by the SEC, a producing well is a well that is found to be capable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes. For the purposes of the Trust and as used herein, references to “Producing Wells” refer to the 69 existing horizontal wells in which Chesapeake conveyed an interest to the Trust effective as of July 1, 2011.

“Post-Production Expenses”: Costs incurred to gather, store, compress, transport, process, treat, dehydrate and market the oil, natural gas and NGL produced.

“Registration Rights Agreement”: Registration Rights Agreement dated as of November 16, 2011 by and among Tapstone (as successor to Chesapeake and Chesapeake Exploration, L.L.C.) and the Trust.

“Royalty Interests”: The royalty interests derived from Chesapeake’s interests in the Underlying Properties for the benefit of Trust unitholders pursuant to the Trust Agreement.

“SEC”: The United States Securities and Exchange Commission.

“Subordinated Unit”: A Subordinated Unit (as defined in the Trust Agreement) representing a subordinated beneficial interest in the Trust. The Subordinated Units converted into Common Units on a one-for-one basis on June 30, 2017, and no Subordinated Units have been issued or outstanding since such date.

“Tapstone”: Tapstone Energy, LLC.

“Tapstone Holdings”: Tapstone Energy Holdings, LLC, a Delaware limited liability company and the parent of Tapstone.

“Termination Date”: The date on which the Trust will dissolve and begin to liquidate, June 30, 2031.

“Trust Agreement”: The trust agreement dated as of June 29, 2011 and subsequently amended and restated as of November 16, 2011 by and among Tapstone (as successor to Chesapeake) and

Chesapeake Exploration, L.L.C., a wholly owned subsidiary of Chesapeake), the Trustee and the Delaware Trustee.

"Trust Units" means Subordinated Units and Common Units. The Subordinated Units converted into Common Units on a one-for-one basis on June 30, 2017, and no Subordinated Units have been issued or outstanding since such date.

"Trustee": The Bank of New York Mellon Trust Company, N.A., as trustee.

"Underlying Properties": The interests in specified oil and natural gas properties located in the Colony Granite Wash play in Washita County in the Anadarko Basin of western Oklahoma.

Item 1. Name and address(es) of the issuer and its predecessors (if any)

The full legal name of the issuer is Chesapeake Granite Wash Trust.

The Trust is an active Delaware statutory trust formed in the State of Delaware on June 29, 2011. The Trust has not had any organizational changes nor are there any predecessors of the Trust.

There have not been any trading suspension or halt orders issued by the SEC or the Financial Industry Regulatory Authority concerning the Trust or its predecessors since inception.

The Trust has not had, and does not currently anticipate, any stock split, dividend (other than the Trust's quarterly cash distributions discussed elsewhere in this Annual Report), recapitalization, merger, acquisition, spin-off, or reorganization transactions.

Address of the issuer's principal executive office:

c/o The Bank of New York Mellon Trust Company, N.A.,
Trustee
Global Corporate Trust
601 Travis Street, Floor 16
Houston, Texas 77002

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address.

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: Yes:

Item 2. Security Information

Transfer Agent

Equiniti Trust Company LLC
929.352.8306
susan.hogan@equiniti.com
Chicago, IL

Publicly Quoted or Traded Securities:

As of December 31, 2025, the Trust has one class of securities outstanding, the Common Units. The Common Units are without par value. As of December 31, 2025, 46,750,000 Common Units were authorized and outstanding. The Trust has no Subordinated Units or any preferred classes of securities authorized or outstanding as of December 31, 2025. As of December 31, 2025, there were 15 unitholders of record of the Common Units.

The trading symbol for the Common Units is "CHKR".

The CUSIP number for the Common Units is 165185109.

The Common Units have traded on the OTCID Basic Market since July 1, 2025, having previously traded on the OTC Markets Pink Open Market from March 2, 2020 through June 30, 2025. Prior to March 2, 2020, the Common Units were listed and traded on the New York Stock Exchange.

Security Description:

As of December 31, 2025, the Trust has one class of securities outstanding, the Common Units. Each Common Unit is a unit of the beneficial interest in the Trust and is entitled to receive cash distributions from the Trust on a pro rata basis.

Dividend Rights

The Trust is required to make quarterly cash distributions to unitholders from its available funds for such calendar quarter. Royalty Interest payments due to the Trust with respect to any calendar quarter are based on actual sales volumes attributable to the Trust's interests in certain oil and natural gas properties located in the Underlying Properties (as measured at the Operator's metering systems) for the first two months of the quarter just ended as well as the last month of the immediately preceding quarter and actual revenues received for such volumes, net of Post-Production Expenses and production taxes. The Operator makes the Royalty Interest payments to the Trust within 35 days of the end of each calendar quarter. Taking into account the receipt and disbursement of all such amounts, the Trustee determines for such calendar quarter the amount of funds available for distribution to the Trust unitholders. Available funds are the excess cash, if any, received by the Trust over the Trust's expenses for that quarter. Available funds are reduced by any cash the Trustee decides to hold as a reserve against future liabilities.

The Trustee distributes cash approximately 60 days (or the next succeeding business day following such day if such day is not a business day) following each calendar quarter to each person who is a Trust unitholder of record on the quarterly record date together with interest expected to be earned on the amount of such quarterly distribution from the date of receipt thereof by the Trustee to the payment date.

Unless otherwise advised by counsel or the Internal Revenue Service, the Trustee treats the income and expenses of the Trust for each quarter as belonging to the Trust unitholders of record on the quarterly record date that occurs in such quarter. Trust unitholders recognize income and expenses for tax purposes in the quarter the Trust receives or pays those amounts, rather than in the quarter the Trust distributes them. Minor variances may occur. For example, the Trustee could establish a reserve in one quarter that would not result in a tax deduction until a later quarter. The Trustee could also make a payment in one quarter that would be amortized for tax purposes over several months.

Voting Rights

The Trustee or Trust unitholders owning at least 10% of the outstanding Trust Units may call meetings of Trust unitholders. The Trust has not held, and in the future does not intend to hold, annual meetings of the Trust unitholders. The Trust is responsible for all costs associated with calling a meeting of Trust unitholders unless such meeting is called by the Trust unitholders, in which case the Trust unitholders are responsible for all costs associated with calling such meeting of Trust unitholders. Meetings must be held in such location as is designated by the Trustee in the notice of such meeting. The Trustee must send written notice of the time and place of the meeting and the matters to be acted upon to all of the Trust unitholders at least 20 days and not more than 60 days before the meeting. Trust unitholders representing a majority of Trust Units outstanding must be present or represented to have a quorum. Each Trust unitholder is entitled to one vote for each Trust Unit owned. Abstentions and broker non-votes shall not be deemed to be a vote cast.

Unless otherwise required by the Trust Agreement, a matter may be approved or disapproved by the vote of a majority of the Trust Units held by the Trust unitholders voting in person or by proxy at a meeting where there is a quorum. Accordingly, a matter may be approved even if a majority of the total outstanding Trust Units does not approve it.

Until such time as Diversified and its affiliates own less than 10% of the outstanding Trust Units, the affirmative vote of the holders of a majority of Common Units (excluding Common Units owned by Diversified and its affiliates) and a majority of Trust Units voting in person or by proxy at a meeting of such holders at which a quorum is present is required to:

- dissolve the Trust (except in accordance with its terms);
- remove the Trustee or the Delaware Trustee;

- amend the Trust Agreement, the royalty conveyances, the Administrative Services Agreement and the development agreement (except with respect to certain matters that do not adversely affect the rights of Trust unitholders in any material respect);
- merge, consolidate or convert the Trust with or into another entity; or
- approve the sale of all or any material part of the assets of the Trust.

At any time when Diversified and its affiliates own less than 10% of the outstanding Trust Units, the vote of the holders of a majority of Trust Units, including Trust Units owned by Diversified, voting in person or by proxy at a meeting of such holders at which a quorum is present will be required to take the actions described above. Notwithstanding the foregoing, there are conflicting interpretations that the Trust Agreement requires the exclusion of the Common Units owned by Diversified and its affiliates in a vote following Tapstone's acquisition of the Underlying Properties from Chesapeake even if Diversified and its affiliates own over 10% of the outstanding Trust Units.

Certain amendments to the Trust Agreement may be made by the Trustee without approval of the Trust unitholders. The Trustee must consent before all or any part of the Trust assets can be sold except in connection with the dissolution of the Trust or limited sales directed by Diversified in conjunction with its sale of Underlying Properties.

Transfer of Trust Units

Trust unitholders may transfer their Trust Units in accordance with the Trust Agreement. The Trustee will not require either the transferor or transferee to pay a service charge for any transfer of a Trust Unit. The Trustee may require payment of any tax or other governmental charge imposed for a transfer. The Trustee may treat the owner of any Trust Unit as shown by its records as the owner of the Trust Unit. The Trustee will not be considered to know about any claim or demand on a Trust Unit by any party except the record owner. A person who acquires a Trust Unit after any quarterly record date will not be entitled to the distribution relating to that quarterly record date. Delaware law will govern all matters affecting the title, ownership or transfer of Trust Units.

Liability of Trust Unitholders

Under the Delaware Statutory Trust Act, Trust unitholders will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit under the General Corporation Law of the State of Delaware. No assurance can be given, however, that the courts in jurisdictions outside of Delaware will give effect to such limitation.

Duration of the Trust; Sale of Royalty Interests

The Trust will dissolve and begin to liquidate on the Termination Date, or earlier upon the occurrence of certain events, and will soon thereafter wind up its affairs and terminate. At the Termination Date, (a) 50% of the total Royalty Interests conveyed by the Operator (the "Term Royalties") will revert automatically to the Operator and (b) 50% of the total Royalty Interests conveyed by the Operator (the "Perpetual Royalties") will be retained by the Trust and thereafter sold. The net proceeds of the sale of the Perpetual Royalties, as well as any remaining Trust cash reserves, will be distributed to the unitholders on a pro rata basis. The Operator will have a right of first refusal to purchase the Perpetual Royalties from the Trust following the Termination Date.

The Trust will not dissolve until the Termination Date, unless:

- the Trust sells all of the Royalty Interests;
- the aggregate quarterly cash distribution amounts for any four consecutive quarters is less than \$1.0 million;
- the holders of a majority of the Trust Units and a majority of the Common Units (excluding Common Units owned by Diversified and its affiliates), in each case voting in person or by proxy at a meeting of such holders at which a quorum is present, vote in favor of dissolution; except that at any time that Diversified and its affiliates collectively own less than 10% of the outstanding Trust Units, the standard for approval will be a majority of the Trust Units, including Trust Units owned by Diversified and its affiliates voting in person or by proxy at a meeting of such holders at which a quorum is present; notwithstanding the foregoing, there are conflicting interpretations that the Trust Agreement requires the exclusion of the Common Units owned by Diversified and its affiliates in a vote

following Tapstone's acquisition of the Underlying Properties from Chesapeake even if Diversified and its affiliates own over 10% of the outstanding Trust Units; or

- the Trust is judicially dissolved.

In the case of any of the foregoing, the Trustee would sell all of the Trust's assets, either by private sale or public auction, and distribute the net proceeds of the sale to the Trust unitholders after payment, or reasonable provision for payment, of all Trust liabilities.

Item 3. Issuance History

As of December 31, 2025, the Trust has one class of securities outstanding, the Common Units. The Trust has no preferred classes of securities authorized or outstanding as of December 31, 2025.

The Trust conducted an initial public offering of Common Units in November 2011, which offering was registered with the SEC under the Securities Act of 1933. The Trust has not conducted any registered offerings of its securities since the initial public offering, and the Trust has no current plans to conduct any further offerings of its securities. The Trust ceased the voluntary filing of periodic reports with the SEC under the Securities Exchange Act of 1934 following the filing of the Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024. As of December 31, 2025, there were 15 unitholders of record of the Common Units.

The trading symbol for the Common Units is "CHKR".

The Common Units have traded on the OTCID Basic Market since July 1, 2025, having previously traded on the OTC Markets Pink Open Market from March 2, 2020 through June 30, 2025. Prior to March 2, 2020, the Common Units were listed and traded on the New York Stock Exchange.

A. Changes to the Number of Outstanding Trust Units for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding Trust Units within the past two completed fiscal years:

No: Yes: (If yes, you must complete the table below)

B. Promissory and Convertible Notes

As of the end of the last completed fiscal year, the Trust did not have any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into Trust Units.

Item 4. Issuer's Business, Products and Services

A. Business Operations

The Trust is a statutory trust formed in June 2011 under the Delaware Statutory Trust Act pursuant to an initial trust agreement by and among the Operator, as Trustor, the Trustee, and the Delaware Trustee. The Trust was created to own the Royalty Interests for the benefit of Trust unitholders pursuant to the Trust Agreement. The Royalty Interests are derived from the Underlying Properties. Chesapeake conveyed the Royalty Interests to the Trust from Chesapeake's interests in the Producing Wells and the Development Wells.

The business and affairs of the Trust are managed by the Trustee. The Trust Agreement limits the Trust's business activities generally to owning the Royalty Interests and any activity reasonably related to such ownership, including activities required or permitted by the terms of the conveyances applicable to the Royalty Interests. The royalty interests in the Producing Wells entitle the Trust to receive 90% of the proceeds (exclusive of any production or development costs but after deducting certain Post-Production Expenses and any applicable taxes) from the sales of oil, natural gas and NGL production attributable to the Operator's net revenue interest in the Producing Wells. The royalty interests in the Development Wells entitle the Trust to receive 50% of the proceeds (exclusive of

any production or development costs but after deducting certain Post-Production Expenses and any applicable taxes) from the sales of oil, natural gas and NGL production attributable to the Operator's net revenue interest in the Development Wells.

B. Subsidiaries, Parents or Affiliated Companies

The business and affairs of the Trust are managed by the Trustee. The Trust does not have any subsidiaries.

DP Bluegrass LLC, the majority unitholder of the Trust, is an indirect, wholly-owned subsidiary of Diversified. Following the consummation of the Merger, Diversified and, where the context requires, its subsidiaries, became the Operator of the Trust. The Operator is the company that holds the AMI, owns the Underlying Properties and is bound by the terms of the Trust Agreement.

C. Products and Services

The Trust Agreement limits the Trust's business activities generally to owning the Royalty Interests and any activity reasonably related to such ownership, including activities required or permitted by the terms of the conveyances applicable to the Royalty Interests.

Item 5. Issuer's Facilities

Assets

The assets of the Trust consist of the Royalty Interests and any cash and temporary investments being held for the payment of expenses and liabilities and for distribution to the Trust unitholders. The Royalty Interests are derived from the Underlying Properties.

Underlying Properties

The Trustee has no ability to manage or influence the operation of the Underlying Properties. The Underlying Properties consist of working interests owned by the Operator located in the Colony Granite Wash play in Washita County in western Oklahoma arising from leases and farmout agreements related to properties from which the Royalty Interests were conveyed. The AMI consists of approximately 40,500 gross acres (26,400 net acres). As of December 31, 2025, the total reserves estimated to be attributable to the Royalty Interests were 2,041 mboe (62% natural gas by volume). This amount includes 2,041 mboe of proved developed reserves and no proved undeveloped reserves as of December 31, 2025. For clarity, the Trust does not own or have rights to undeveloped lands, undeveloped formations, or undeveloped reserves, nor the right or ability to drill future wells.

The Colony Granite Wash is a subset of the greater granite wash plays of the Anadarko Basin. The Colony Granite Wash is located at the eastern end of a series of Des Moines-age granite wash fields that extend along the southern flank of the Anadarko Basin, approximately 60 miles into the Texas Panhandle. These granite wash fields were generally deposited as deep-water turbidites that result in relatively low risk, laterally extensive reservoirs. The productive members of the Colony Granite Wash are encountered between approximately 11,500 and 13,000 feet and lie stratigraphically between the top of the Des Moines formation (or top of Colony Granite Wash 'A') and the top of the Prue formation (or base of Colony Granite Wash 'C'). The individual productive members within the Colony Granite Wash may reach 200 feet or more in gross interval thickness and the targeted porosity zones within these individual members are generally 20 to 75 feet thick. The Colony Granite Wash is primarily a natural gas and natural gas condensate reservoir based on reserve volumes. No development costs were incurred in the year ended December 31, 2025, as no new wells have been drilled by the Operator in the Colony Granite Wash after fulfillment of its drilling obligation to the Trust.

Royalty Interests

The Royalty Interests were conveyed from Chesapeake's interest in the Underlying Properties effective as of July 1, 2011. As of December 31, 2025, the Trust on average owns a 47.8% net revenue interest in the Producing

Wells and a 28.6% net revenue interest in the completed Development Wells. The Operator retains 10% of the proceeds from the sales of oil, natural gas and NGL production attributable to its net revenue interest in the Producing Wells, and 50% of the proceeds from the sales of production attributable to its net revenue interest in the Development Wells.

The Royalty Interests were conveyed to the Trust by Chesapeake by means of conveyance instruments that were recorded in the appropriate real property records in Washita County, Oklahoma. The conveyance instruments obligate the Operator to act diligently and as a reasonably prudent oil and gas operator would act under the same or similar circumstances as if it were acting with respect to its own properties, disregarding the existence of the Royalty Interests as burdens affecting such properties.

Oil, Natural Gas and NGL Reserves

Proved reserve quantities attributable to the Royalty Interests are calculated by multiplying the gross reserves for each property attributable to the Operator's interest by the net revenue interest assigned to the Trust in each property. The reserves related to the Underlying Properties include all proved reserves expected to be economically produced during the life of the properties. The reserves attributable to the Royalty Interests include only the reserves attributable to the Underlying Properties that are expected to be produced within the 20-year period prior to the Termination Date as well as the residual 50% interest in the Royalty Interests that the Trust will own on the Termination Date and subsequently sell. All of the Trust's estimated oil, natural gas and NGL reserves are located within the U.S.

Diversified engaged Netherland, Sewell & Associates, Inc. ("NSAI"), a third-party engineering firm, to estimate the oil, natural gas and NGL reserves attributable to the Royalty Interests as of December 31, 2025. A copy of the report issued by the engineering firm containing these reserve estimates is filed as Annex A to this Annual Report (the "Annual Reserve Report"). The reserve estimates set forth in the Annual Reserve Report were prepared by NSAI in accordance with the criteria established by the SEC for companies that file periodic reports with the SEC. The Annual Reserve Report was prepared using decline curve analysis to determine the reserves of individual producing wells, as defined by the SEC.

The process to review and estimate the reserves begins with Diversified's Corporate Reserves Department collecting and verifying all pertinent data, including but not limited to production data, historical pricing, cost information, and property ownership interests. This data is reviewed by various levels of Diversified management for accuracy before consultation with NSAI. NSAI was consulted with regularity during the reserve estimation process to review properties, assumptions, and any new data available. Diversified oversees the preparation of the reserve estimates, coordinates reserves work conducted by NSAI and approves the Annual Reserve Report. Additionally, Diversified maintains certain internal controls to ensure the reliability of reserves estimations.

Item 6. All Officers, Directors, and Control Persons of the Company

Name of Officer/Director and Control Person (1)	Position/Company Affiliation	City and State	Number of Shares Owned	Class of Shares Owned	Percentage of Class of Shares Owned (undiluted)
The Bank of New York Mellon Trust Company, N.A, the Trustee (2)	Trustee	Houston, TX	--	--	--
DP Bluegrass LLC (3)	Majority holder of the Common Units	Birmingham, AL	23,750,000	Common Units	50.8%

(1) The Trust is a royalty trust. As is the case with virtually all royalty trusts, the Trust does not have directors or officers since it is managed by a trustee.

(2) The Bank of New York Mellon Trust Company, N.A. is the Trustee of the Trust. The Trustee does not own, directly or indirectly, any securities of the Trust. However, the business and affairs of the Trust are managed by the Trustee as the trustee of the Trust, and the Trustee is included herein as a control person solely for this purpose. Sarah Newell is the representative of the Trustee. The address of entities and persons identified in this footnote is c/o The Bank of New York Mellon Trust Company, N.A., Global Corporate Trust, 601 Travis Street, Floor 16, Houston, Texas 77002.

(3) DP Bluegrass LLC, which is the holder of the Common Units, is an indirect, wholly-owned subsidiary of Diversified, the Operator of the Underlying Properties generating royalty interests for the benefit of the Trust. Ben Sullivan, the Corporate Secretary of DP Bluegrass LLC and Diversified, may be deemed to have shared voting and dispositive power over the Common Units held by DP Bluegrass. The address of entities and persons identified in this footnote is c/o Diversified Energy Company, 1600 Corporate Drive, Birmingham, AL 35242.

Item 7. Legal/Disciplinary History

None of the officers, director or control persons of the Trust has, in the past 10 years, been the subject of any of the following:

- An indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);
- The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person’s involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;
- A finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;
- Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a “yes” answer to the bullet point above; or
- A U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

There are no legal proceedings to which the Trust is a named party. However, the Trustee has been advised by Diversified that the Trust may from time to time be subject to litigation in the ordinary course of business for certain

matters that include the Royalty Interests. While Diversified has advised the Trustee that it does not presently believe any pending litigation will have a net material adverse effect to the Trust, in the event such matters are adjudicated or settled in a material amount and charges are made against royalty income, such charges could have a material impact on the Trust's future royalty income.

Item 8. Third Party Service Providers

Trustee

Sarah Newell
The Bank of New York Mellon Trust Company, N.A.
Trustee
601 Travis Street, Floor 16
Houston, TX 77002
512-236-6555
sarah.newell@bny.com

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Item 9. Disclosure & Financial Information

A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures.

The Trust maintains disclosure controls and procedures, as required by the Trust Agreement, which are designed to ensure that the information required to be disclosed by the Trust pursuant to the Trust Agreement and in the reports that it files or submits with the OTC Markets is recorded, processed, summarized and reported within the required time periods. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by the Trust is accumulated and communicated by the Operator to the Trustee, as the Trustee of the Trust, and the Trustee's employees who participate in the preparation of the Trust's reports that it files or submits with the OTC Markets as appropriate to allow timely decisions regarding required disclosure.

Due to the nature of the Trust as a passive entity and in light of the contractual arrangements pursuant to which the Trust was created, including the provisions of (a) the Trust Agreement, (b) the Administrative Services Agreement, (c) the development agreement and (d) the conveyances granting the Royalty Interests, the Trust's disclosure controls and procedures necessarily rely on (i) information provided by the Operator, including information relating to results of operations, the costs and revenues attributable to the Trust's interests under the conveyance and other operating and historical data, plans for future operating and capital expenditures, reserve information, information relating to projected production, and other information relating to the status and results of operations of the Underlying Properties and the Royalty Interests, and (ii) conclusions and reports regarding reserves by the Trust's independent reserve engineers. Although the Trustee does rely on the Operator to perform certain functions and to provide certain information that impact the Trust's financial statements, the Trustee remains responsible for evaluating, as appropriate, the Trust's disclosure controls and procedures as well as its internal control over financial reporting.

The Trustee has evaluated the effectiveness of the Trust's disclosure controls and procedures (as described above) as of the end of the period covered by this Annual Report. Based on this evaluation, as of December 31, 2025, the Trustee has concluded that the Trust's disclosure controls and procedures were effective.

Trustee's Report on Internal Control over Financial Reporting.

The Trustee, as required by the Trust Agreement, is responsible for establishing and maintaining adequate internal control over financial reporting. The Trust's internal control over financial reporting is a process designed under the supervision of the Trustee to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Trust's financial statements for external purposes in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

The Trustee has evaluated the effectiveness of the Trust's internal control over financial reporting (as described above) as of the end of the period covered by this Annual Report. Based on this evaluation, as of December 31, 2025, the Trustee has concluded that the Trust's internal control over financial reporting was effective.

Changes in Internal Control over Financial Reporting.

There were no changes in internal controls over financial reporting that occurred during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting.

B. This Disclosure Statement was prepared by:

Name: Scott Barry
Title: Director of Financial Reporting
Entity: Diversified Energy Company
Relationship to Issuer: Diversified Energy Company, the Administrative Servicer and the Operator (each as defined in the Glossary above), is the parent of Diversified Production, parent entity to DP Bluegrass LLC, which is the majority owner of the outstanding Common Units of the Trust.

C. The following financial statements were prepared on the following basis:

Chesapeake Granite Wash Trust (the "Trust") is a royalty trust and, as such, its financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles ("U.S. GAAP"). This modified cash basis of accounting is expressly permitted for royalty trusts by the SEC pursuant to SEC Staff Accounting Bulletin ("SAB") Topic 12E. The financial statements of the Trust differ from U.S. GAAP financial statements because net profits income is not accrued in the month of production, expenses are not recognized when incurred and cash reserves may be established for certain contingencies that would not be recorded in U.S. GAAP financial statements. As the SEC makes clear in SAB Topic 12E, the item of primary importance to the reader of the financial statements of a royalty trust is the amount of the cash distributions to the unitholders for the period reported. Accordingly, the SEC expressly permits royalty trusts to present a statement of distributable income, which is considered prepared on a basis other than GAAP, "because the operations of a royalty trust are limited to the distribution of income from the net profits interests contributed to it." As is the case with royalty trusts that file periodic reports with the SEC, the Trust's financial statements have been prepared in reliance on SAB Topic 12E. See Note 2 (Accounting Policies) to the Financial Statements included at the end of this Annual Report for additional information.

D. The following financial statements were prepared by:

The financial statements of the Issuer are included in the Exhibit to this Annual Report and were prepared by:

Name: Scott Barry
Title: Director of Financial Reporting
Relationship to Issuer: Diversified Energy Company, the Administrative Servicer and the Operator (each as defined in the Glossary above), is the parent of Diversified Production, parent entity to DP Bluegrass LLC, which is the majority owner of the outstanding Common Units of the Trust.

Describe the qualifications of the person or persons who prepared the financial statements: Over 16 years of auditing, accounting and financial reporting experience and a Bachelor's and Master's degree in Accounting.

Item 10. Issuer Certification

*Officer of the Trustee of the Trust:*¹

I, Sarah Newell certify that:

1. I have reviewed this Annual Report for Chesapeake Granite Wash Trust, for which The Bank of New York Mellon Trust Company, N.A., acts as Trustee;
2. Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Annual Report.

March 27, 2026

/s/ Sarah C. Newell

Sarah C. Newell
Vice President
The Bank of New York Mellon Trust Company, N.A.,
Trustee of Chesapeake Granite Wash Trust

¹ The issuer, Chesapeake Granite Wash Trust, has no principal executive officer, principal financial officer, board of directors or persons performing similar functions. Accordingly, no additional signatures are available, and none have been provided. In signing the report above, the Trustee does not imply that it has performed any such function or that such function exists pursuant to the terms of the Trust Agreement under which it serves.

Exhibit – Financial Statements and Supplementary Data

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID 238)	F-2
Statements of Assets and Trust Corpus	F-4
Statements of Distributable Income	F-5
Statements of Changes in Trust Corpus	F-5
Notes to the Financial Statements	F-6
Supplemental Information on Oil and Natural Gas Producing Activities (Unaudited)	F-12

Report of Independent Registered Public Accounting Firm

To the Unitholders of Chesapeake Granite Wash Trust and The Bank of New York Mellon Trust Company, N.A., as Trustee

Opinion on the Financial Statements

We have audited the accompanying statements of assets and trust corpus (modified cash basis) of Chesapeake Granite Wash Trust (the "Trust") as of December 31, 2025 and 2024, and the related statements of distributable income and of changes in trust corpus for the years then ended, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the assets and trust corpus of the Trust as of December 31, 2025 and 2024, and its distributable income and its changes in trust corpus for the years then ended in conformity with the modified cash basis of accounting described in Note 2.

Basis for Opinions

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Trust's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with the relevant ethical requirements relating to our audit, which include the standards of the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct.

We conducted our audits of these financial statements in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Basis of Accounting

As described in Note 2, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

The Impact of Proved Developed Oil, Natural Gas and NGL Reserves on Net Investment in Royalty Interests

As described in Note 2 to the financial statements, the Trust's investment in royalty interests is amortized as a single cost center on a units-of-production basis over total proved reserves. Such amortization does not reduce distributable income, but rather it is charged directly to Trust corpus. Revisions to estimated future units-of-production are treated on a prospective basis beginning on the date such revisions are known. The Trust's net

investment in royalty interests balance was \$6 million as of December 31, 2025, and the amortization of investment in royalty interests for the year ended December 31, 2025 was \$793 thousand. As disclosed by management, proved reserve quantities attributable to the royalty interests are calculated by multiplying the gross reserves for each property attributable to the operator's interest by the net revenue interest assigned to the Trust in each property. In estimating proved oil, natural gas and NGL reserves, management depends on the interpretation and judgment of engineering and geological information. The Trust's reserves estimates are generally based on extrapolation of historical production trends. The estimates of proved oil, natural gas and NGL reserves have been developed by specialists, specifically petroleum engineers.

The principal considerations for our determination that performing procedures relating to the impact of proved developed oil, natural gas and NGL reserves on the net investment in royalty interests is a critical audit matter are (i) the significant judgment by management, including the use of management's specialists, when developing the estimates of proved developed oil, natural gas and NGL reserves, which are derived using historical production volumes and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the data, specifically historical production volumes, methods, and assumptions used by management and its specialists in developing the estimates of proved developed oil, natural gas and NGL reserves.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. The work of management's specialists was used in performing the procedures to evaluate the reasonableness of the estimates of proved developed oil, natural gas and NGL reserves. As a basis for using this work, the specialists' qualifications were understood and the Trust's relationship with the specialists was assessed. The procedures performed also included (i) evaluating the methods and assumptions used by the specialists; (ii) testing the completeness and accuracy of the data used by the specialists related to historical production volumes; and (iii) evaluating the specialists' findings related to estimated future production volumes by comparing the estimate to relevant historical and current period production volumes, as applicable.

/s/ PricewaterhouseCoopers LLP

Birmingham, Alabama

March 27, 2026

We have served as the Trust's auditor since 2022.

**CHESAPEAKE GRANITE WASH TRUST
STATEMENTS OF ASSETS AND TRUST CORPUS**

	December 31,	
	2025	2024
	(\$ in thousands)	
ASSETS:		
Cash and cash equivalents	\$ 3,553	\$ 3,104
Investment in royalty interests	487,793	487,793
Less: accumulated amortization	(481,803)	(481,010)
Net investment in royalty interests	5,990	6,783
Total assets	\$ 9,543	\$ 9,887
TRUST CORPUS:		
Trust corpus; 46,750,000 common units issued and outstanding	9,543	9,887
Total Trust corpus	\$ 9,543	\$ 9,887

The accompanying notes are an integral part of these financial statements.

**CHESAPEAKE GRANITE WASH TRUST
STATEMENTS OF DISTRIBUTABLE INCOME**

	Years Ended December 31,	
	2025	2024
(\$ in thousands, except per unit data)		
REVENUES:		
Royalty income	\$ 5,487	\$ 6,447
Total revenues	5,487	6,447
EXPENSES:		
Production taxes	(329)	(435)
Trust administrative expenses	(1,242)	(1,391)
Total expenses	(1,571)	(1,826)
Cash reserves withheld	(395)	(395)
Distributable income available to unitholders	\$ 3,521	\$ 4,226
Distributable income per common unit (46,750,000 units)	\$ 0.0753	\$ 0.0904

**CHESAPEAKE GRANITE WASH TRUST
STATEMENTS OF CHANGES IN TRUST CORPUS**

	Years Ended December 31,	
	2025	2024
(\$ in thousands)		
TRUST CORPUS: Beginning of period	\$ 9,887	\$ 10,204
Cash reserve surplus	449	246
Amortization of investment in royalty interests	(793)	(733)
Distributable income available to unitholders	3,521	4,226
Distributions paid to unitholders ⁽¹⁾	(3,521)	(4,056)
TRUST CORPUS: End of period	\$ 9,543	\$ 9,887

(1) See [Note 5](#) - Distributions to Unitholders.

The accompanying notes are an integral part of these financial statements.

CHESAPEAKE GRANITE WASH TRUST

NOTES TO FINANCIAL STATEMENTS

1. Organization of the Trust

Chesapeake Granite Wash Trust (the "Trust") is a statutory trust formed in June 2011 under the Delaware Statutory Trust Act pursuant to an initial trust agreement by and among Chesapeake Energy Corporation ("Chesapeake"), as Trustor, The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee"), and The Corporation Trust Company, as Delaware Trustee (the "Delaware Trustee").

The Trust was created to own royalty interests in Producing Wells and Development Wells (each as defined in the Glossary to this Annual Report) (the "Royalty Interests") for the benefit of Trust unitholders pursuant to a trust agreement dated as of June 29, 2011, and subsequently amended and restated as of November 16, 2011 by and among Tapstone Energy, LLC ("Tapstone") (as successor to Chesapeake and Chesapeake Exploration, L.L.C., a wholly owned subsidiary of Chesapeake), the Trustee and the Delaware Trustee (the "Trust Agreement"). The Royalty Interests are derived from Chesapeake's interests in the Underlying Properties (as defined in the Glossary to this Annual Report), all of which are located within an area of mutual interest (the "AMI") in the Colony Granite Wash play in Washita County in the Anadarko Basin of western Oklahoma. Chesapeake conveyed the Royalty Interests to the Trust from (a) Chesapeake's interests in the Producing Wells and (b) Chesapeake's interests in the Development Wells that have since been drilled on properties held by Chesapeake within the AMI. Pursuant to a development agreement with the Trust, Chesapeake was obligated to drill, cause to be drilled or participate as a non-operator in the drilling of the 118 Development Wells by June 30, 2016. Additionally, based on Chesapeake's assessment of the ability of a Development Well to produce in paying quantities, Chesapeake was obligated to either complete and tie into production or plug and abandon each Development Well. The Operator retained an interest in each of the Producing Wells and Development Wells, and Diversified Energy Company ("Diversified"), and its subsidiaries, currently operates approximately 96% of the Producing Wells and the completed Development Wells. As of June 30, 2016, Chesapeake had fulfilled its drilling obligation under the development agreement.

The business and affairs of the Trust are managed by the Trustee. The Trust Agreement limits the Trust's business activities generally to owning the Royalty Interests and any activity reasonably related to such ownership, including activities required or permitted by the terms of the conveyances related to the Royalty Interests. The Royalty Interests in the Producing Wells entitle the Trust to receive 90% of the proceeds (exclusive of any production or development costs but after deducting certain post-production expenses and any applicable taxes) from the sales of oil, natural gas and natural gas liquids ("NGL") production attributable to the Operator's net revenue interest in the Producing Wells. The Royalty Interests in the Development Wells entitle the Trust to receive 50% of the proceeds (exclusive of any production or development costs but after deducting certain post-production expenses and any applicable taxes) from the sales of oil, natural gas and NGL production attributable to the Operator's net revenue interest in the Development Wells.

Through an initial public offering in November 2011, the Trust sold to the public 23,000,000 common units, representing beneficial interests in the Trust, for cash proceeds of approximately \$409.7 million, net of offering costs. The Trust delivered the net proceeds of the initial public offering, along with 12,062,500 common units and 11,687,500 subordinated units, to certain wholly owned subsidiaries of Chesapeake in exchange for the conveyance of the Royalty Interests to the Trust. Upon completion of these transactions, there were 46,750,000 Trust Units issued and outstanding, consisting of 35,062,500 common units and 11,687,500 subordinated units which were converted into common units on a one-for-one basis as of June 30, 2017.

On December 11, 2020, Tapstone acquired 23,750,000 common units and the Underlying Properties of the Trust from Chesapeake in a 363 transaction under the Bankruptcy Code. All of Chesapeake's responsibilities and obligations regarding the Trust transferred to Tapstone in connection with the acquisition, pursuant to the Assignment Agreement (as defined in the Glossary to this Annual Report). As such, duties previously performed by Chesapeake with respect to the Trust were performed by Tapstone and all agreements between Chesapeake and the Trust transferred from Chesapeake to Tapstone.

On October 6, 2021, Tapstone Energy Holdings, LLC, the parent of Tapstone ("Tapstone Holdings"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Diversified, the parent of Diversified Production LLC ("Diversified Production"), and certain of its affiliates, including Diversified Production. Upon the

CHESAPEAKE GRANITE WASH TRUST
NOTES TO FINANCIAL STATEMENTS – (Continued)

terms and subject to the conditions set forth in the Merger Agreement, a wholly owned subsidiary of Diversified merged with and into Tapstone Holdings with Tapstone Holdings as the surviving entity, resulting in Tapstone Holdings and Tapstone becoming wholly owned subsidiaries of Diversified. The terms and conditions of the Merger Agreement were fulfilled on December 7, 2021, and Tapstone Holdings became a wholly owned subsidiary of Diversified (the "Merger").

Tapstone's right, title and interest in and to, and all of its duties and obligations under all documents related to the Trust (including the Trust Agreement, the Administrative Services Agreement (as defined in the Glossary to this Annual Report) and the related royalty interest conveyances) remained unchanged as a result of the Merger, although there have been certain changes in the management of the Underlying Properties. However, as a result of the Merger, Diversified may be deemed the beneficial owner of the 23,750,000 common units of the Trust, representing the entire 50.8% beneficial ownership interest in the Trust held by Tapstone immediately prior to the effective time of the Merger. Following consummation of the Merger, duties previously performed by Tapstone and its subsidiaries with respect to the Trust are now performed by Diversified. On September 22, 2023, the 23,750,000 common units were assigned to DP Bluegrass LLC, another indirect, wholly-owned subsidiary of Diversified Production. On November 21, 2025, Diversified Energy Company PLC completed a redomestication to the United States from the United Kingdom, resulting in Diversified Energy Company, a Delaware corporation, becoming the publicly traded parent company. Throughout this report, references to "Diversified" or the "Company" (i) for periods prior to the completion of the redomestication, refer to Diversified Energy Company PLC and (ii) for periods beginning at or after the completion of the redomestication, refer to Diversified Energy Company.

The Trust will dissolve and begin to liquidate on the Termination Date (as defined in the Glossary to this Annual Report), and will soon thereafter wind up its affairs and terminate. At the Termination Date, (a) the Term Royalties (as defined in this Annual Report) will revert automatically to the Operator and (b) the Perpetual Royalties (as defined in this Annual Report) will be retained by the Trust and thereafter sold. The net proceeds of the sale of the Perpetual Royalties, as well as any remaining Trust cash reserves, will be distributed to the unitholders on a pro rata basis. The Operator will have a right of first refusal to purchase the Perpetual Royalties retained by the Trust at the Termination Date.

The Trust will not dissolve until the Termination Date, unless:

- the Trust sells all of the Royalty Interests;
- the aggregate quarterly cash distribution amounts for any four consecutive quarters is less than \$1.0 million;
- the holders of a majority of the Trust Units and a majority of the common units (excluding common units owned by Diversified and its affiliates), in each case voting in person or by proxy at a meeting of such holders at which a quorum is present, vote in favor of dissolution; except that at any time that Diversified and its affiliates collectively own less than 10% of the outstanding Trust Units, the standard for approval will be a majority of the Trust Units, including Trust Units owned by Diversified and its affiliates voting in person or by proxy at a meeting of such holders at which a quorum is present; notwithstanding the foregoing, there are conflicting interpretations that the Trust Agreement requires the exclusion of the common units owned by Diversified and its affiliates in a vote following Tapstone's acquisition of the Underlying Properties from Chesapeake even if Diversified and its affiliates own over 10% of the outstanding Trust Units; or
- the Trust is judicially dissolved.

In the case of any of the foregoing, the Trustee would sell all of the Trust's assets, either by private sale or public auction, and distribute the net proceeds of the sale to the Trust unitholders after payment, or reasonable provision for payment, of all Trust liabilities.

2. Accounting Policies

Basis of Accounting. Financial statements of the Trust differ from financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as the Trust records revenues when received and expenses when paid and may also establish certain cash reserves for contingencies which would not be accrued in financial statements prepared in accordance with GAAP. This non-GAAP

CHESAPEAKE GRANITE WASH TRUST
NOTES TO FINANCIAL STATEMENTS – (Continued)

comprehensive basis of accounting corresponds to the accounting principles permitted for royalty trusts by the United States Securities and Exchange Commission ("SEC") as specified by Staff Accounting Bulletin Topic 12:E, *Financial Statements of Royalty Trusts*.

Most accounting pronouncements apply to entities whose financial statements are prepared in accordance with GAAP, directing such entities to accrue or defer revenues and expenses in a period other than when such revenues were received or expenses were paid. Because the Trust's financial statements are prepared on the modified cash basis as described above, most accounting pronouncements are not applicable to the Trust's financial statements.

Use of Estimates. The preparation of financial statements requires the Trust to make estimates and assumptions that affect the reported amounts of assets, liabilities and Trust corpus during the reporting period. Significant estimates include the quantities of proved oil, natural gas and NGL reserves. Reservoir engineering is a subjective process, and there are numerous uncertainties inherent in estimating quantities of proved reserves. The accuracy of any reserves estimate depends on the quality of available data and the interpretation and judgment of engineering and geological information. As a result, actual quantities recovered may differ from estimated reserves. The estimates of proved oil, natural gas and NGL reserves have been developed by specialists, specifically petroleum engineers. These reserves are used to compute the Trust's amortization of the Investment in Royalty Interests (as defined in *Investment in Royalty Interests* below) and, as necessary, to evaluate potential impairments of Investment in Royalty Interests. Actual results could differ from those estimates.

Risks and Uncertainties. The Trust's revenue and distributions are substantially dependent upon the prevailing and future prices for oil, natural gas and NGL, each of which depends on numerous factors beyond the Trust's control such as economic conditions, regulatory developments and competition from other energy sources. Oil, natural gas and NGL prices historically have been volatile and may be subject to significant fluctuations in the future, which would have an impact on revenues and distributable income. The Trust does not have the ability to enter into derivative contracts to mitigate the effect of this price volatility.

The Operator's ability to perform its obligations to the Trust will depend on its future results of operations, financial condition and liquidity, which in turn will depend upon the supply and demand for oil, natural gas and NGL, prevailing economic conditions and financial, business and other factors, many of which are beyond the Operator's control.

In the event of a bankruptcy of the Operator or its wholly-owned subsidiaries, the Operator could be unable to provide support to the Trust through loans and performance of its management duties.

Cash and Cash Equivalents. Cash equivalents include all highly-liquid instruments with maturities of three months or less at the time of acquisition. The Trustee maintains a minimum cash reserve of \$1.0 million and may, at the Trustee's discretion, reserve funds for future expected administrative expenses.

Investment in Royalty Interests. The Investment in Royalty Interests is amortized as a single cost center on a units-of-production basis over total proved reserves. Such amortization does not reduce distributable income, rather it is charged directly to Trust corpus. Revisions to estimated future units-of-production are treated on a prospective basis beginning on the date such revisions are known. The carrying value of the Trust's Investment in Royalty Interests will not necessarily be indicative of the fair value of such Royalty Interests. The Trust is not burdened by development costs of the Royalty Interests.

On a quarterly basis, the Trust evaluates the carrying value of the Investment in Royalty Interests under the full cost accounting rules of the SEC. This quarterly review is referred to as a ceiling test. Under the ceiling test, the carrying value of the Investment in Royalty Interests may not exceed an amount equal to the sum of the present value (using a 10% discount rate) of the estimated future net revenues from proved reserves. During the years ended December 31, 2025 and 2024, the Trust did not recognize any impairment of the Royalty Interests.

Loan Commitment. Pursuant to the Trust Agreement, if at any time the Trust's cash on hand (including available cash reserves) is not sufficient to pay the Trust's ordinary course expenses as they become due, the Operator will loan funds to the Trust necessary to pay such expenses. Such loans will be recorded as a liability on the Statements of Assets, Liabilities and Trust Corpus until repaid. A loan neither increases nor decreases

CHESAPEAKE GRANITE WASH TRUST
NOTES TO FINANCIAL STATEMENTS – (Continued)

distributions to unitholders; however, no further distributions will be made to unitholders (except in respect of any previously determined quarterly cash distribution amount and unless the Operator agrees otherwise) until the loan is repaid. There were no loans outstanding as of December 31, 2025 and December 31, 2024.

Revenues and Expenses. Neither the Trust nor the Trustee is responsible for, or has any control over, any operating or capital costs of the Underlying Properties. The Trust's revenues with respect to the Royalty Interests in the Underlying Properties are net of existing royalties and overriding royalties associated with the Operator's interests and are determined after deducting certain post-production expenses and any applicable taxes associated with the Royalty Interests. Post-production expenses generally consist of costs incurred to gather, store, compress, transport, process, treat, dehydrate and market the oil, natural gas and NGL produced. However, the Trust is not responsible for costs of marketing services provided by the Operator or affiliates of the Operator. Cash distributions to unitholders will be reduced by the Trust's general and administrative expenses.

Trust administrative expenses for the years ended December 31, 2025 and 2024 generally includes administrative expenses related to invoices paid between the periods of November 1, 2024 to October 31, 2025 and November 1, 2023 to October 31, 2024, respectively. Trust administrative expenses also includes a change in cash advance that estimates three months of subsequent Trust administration expense payments each quarter.

3. Income Taxes

The Trust is a Delaware statutory trust that is treated as a partnership for U.S. federal income tax purposes. The Trust is not required to pay federal or state income taxes. Accordingly, no provision for federal or state income tax has been made.

Trust unitholders are treated as partners of the Trust for U.S. federal income tax purposes. The Trust Agreement contains tax provisions that generally allocate the Trust's income, deductions and credits among the Trust unitholders in accordance with their percentage interests in the Trust. The Trust Agreement also sets forth the tax accounting principles to be applied by the Trust.

4. Related Party Transactions

Trustee Administrative Fee. Under the terms of the Trust Agreement, the Trust pays an annual administrative fee of \$175,000 to the Trustee, paid in equal quarterly installments. The administrative fee may be adjusted for inflation by no more than 3% in any calendar year beginning in 2015. The Trustee's annual administrative fees were adjusted upward by 3.0% in each of 2024 and 2025 to the current amount of \$217,033.

Agreements with the Administrative Servicer. In connection with the initial public offering and the conveyance of the Royalty Interests to the Trust, the Trust entered into an Administrative Services Agreement, a development agreement and a Registration Rights Agreement with the Administrative Servicer (as defined in the Glossary to this Annual Report).

Pursuant to the Administrative Services Agreement, the Administrative Servicer provides the Trust with certain accounting, tax preparation, bookkeeping and information services related to the Royalty Interests and the Registration Rights Agreement. In return for the services provided by the Administrative Servicer under the Administrative Services Agreement, the Trust pays the Administrative Servicer, in equal quarterly installments, an annual fee of \$200,000, which will remain fixed for the life of the Trust. The Administrative Servicer is also entitled to receive reimbursement for its actual out-of-pocket fees, costs and expenses incurred in connection with the provision of any of the services under the agreement. The Administrative Servicer was paid approximately \$337,000 and \$340,000 in fees and reimbursements in 2025 and 2024, respectively. Variances in fees and reimbursements paid is primarily due to the timing of payments.

The Administrative Services Agreement will terminate upon the earliest to occur of (a) the date the Trust shall have dissolved and wound up its business and affairs in accordance with the Trust Agreement, (b) the date that all of the Royalty Interests have been terminated or are no longer held by the Trust, (c) with respect to services to be provided to any Underlying Properties being transferred by the Operator, the date that either the Administrative Servicer or the Trustee may designate by delivering 90-days prior written notice, provided that the transferee of

CHESAPEAKE GRANITE WASH TRUST
NOTES TO FINANCIAL STATEMENTS – (Continued)

such Underlying Properties assumes responsibility to perform the services in place of the Administrative Servicer or (d) a date mutually agreed upon by the Administrative Servicer and the Trustee.

The Trust also entered into a Registration Rights Agreement for the benefit of the Operator and certain of its affiliates (each, a “holder”). Pursuant to the Registration Rights Agreement, the Trust agreed to register the Trust Units held by each such holder for resale under the Securities Act of 1933, as amended, under certain circumstances. In connection with the preparation and filing of any registration statement, the Operator will bear all costs and expenses incidental to any registration statement, excluding certain internal expenses of the Trust, which will be borne by the Trust, and any underwriting discounts and commissions, which will be borne by the seller of the Trust Units.

Loan Commitment. Pursuant to the Trust Agreement, if at any time the Trust’s cash on hand (including available cash reserves, if any) is insufficient to pay the Trust’s ordinary course expenses as they become due, the Operator will loan funds to the Trust necessary to pay such expenses. Any funds loaned by the Operator pursuant to this commitment will be limited to the payment of current accounts payable or other obligations to trade creditors in connection with obtaining goods or services or the payment of other current liabilities arising in the ordinary course of the Trust’s business, and may not be used to satisfy Trust indebtedness for borrowed money of the Trust. If the Operator loans funds pursuant to this commitment, unless the Operator agrees otherwise, no further distributions will be made to unitholders (except in respect of any previously determined quarterly cash distribution amount) until such loan is repaid. There were no loans outstanding as of December 31, 2025 or December 31, 2024.

5. Distributions to Unitholders

The Trust makes quarterly cash distributions of substantially all of its cash receipts, after deducting the Trust’s expenses, approximately 60 days following the completion of each quarter through (and including) the quarter ending June 30, 2031.

For the years ended December 31, 2025 and 2024, the Trust declared and paid the following cash distributions:

Production Period	Distribution Date	Cash Distribution per Common Unit
June 2025 - August 2025	December 1, 2025	\$ 0.0161
March 2025 - May 2025	August 29, 2025	\$ 0.0189
December 2024 - February 2025	May 30, 2025	\$ 0.0294
September 2024 - November 2024	March 3, 2025	\$ 0.0109
June 2024 – August 2024	November 29, 2024	\$ 0.0267
March 2024 - May 2024	August 29, 2024	\$ 0.0202
December 2023 - February 2024	May 30, 2024	\$ 0.0185
September 2023 - November 2023	February 29, 2024	\$ 0.0214

6. Subsequent Events

Subsequent Distribution. The Trust's quarterly income available for distribution was \$0.0128 per common unit for the production period from September 1, 2025 to November 30, 2025 (net of administrative expenses incurred between November 1, 2025 to January 31, 2026). On February 4, 2026, the Trust declared a cash distribution of \$0.0128 per common unit attributable to such production period. The distribution was paid on March 2, 2026 to record unitholders as of February 19, 2026.

**CHESAPEAKE GRANITE WASH TRUST
SUPPLEMENTARY INFORMATION**

Supplemental Disclosures About Oil, Natural Gas and NGL Producing Activities (unaudited)

Net Capitalized Costs. Capitalized costs related to the Trust's oil, natural gas and NGL producing activities are summarized as follows:

	December 31,	
	2025	2024
	(\$ in thousands)	
Oil and natural gas properties:		
Proved	\$ 487,793	\$ 487,793
Unproved	—	—
Total	487,793	487,793
Less accumulated amortization	(481,803)	(481,010)
Net capitalized costs	<u>\$ 5,990</u>	<u>\$ 6,783</u>

The Royalty Interests originally conveyed to the Trust by Chesapeake consist of interests in proved properties only. The Trust capitalized approximately \$487.8 million for the properties conveyed to the Trust concurrent with the initial public offering.

Costs Incurred in Oil and Natural Gas Drilling and Completion and Investment in Royalty Interest. Costs incurred in oil and natural gas drilling and completion, acquisition and divestiture activities which have been capitalized are limited to the \$487.8 million of initial investment in proved properties at the inception of the Trust. The Trust will not acquire or dispose of properties and is not burdened with drilling and completion costs.

Results of Operations from Oil, Natural Gas and NGL Producing Activities. The Operator's results of operations from oil, natural gas and NGL producing activities for the Trust's interest are presented below for the years ended December 31, 2025 and 2024. The following table includes revenues and expenses associated directly with the Trust's oil and natural gas producing activities. Production expenses and production taxes are deducted by the Operator prior to remittance of royalty income to the Trust. The following calculation does not include any interest income or general and administrative costs and, therefore, is not necessarily indicative of distributable income:

	Years Ended December 31,	
	2025	2024
	(\$ in thousands)	
Sales of oil, natural gas and NGL	\$ 5,487	\$ 6,447
Production taxes	(329)	(435)
Amortization of investment in royalty interests	(793)	(733)
Results of operations from oil, natural gas and NGL producing activities	<u>\$ 4,365</u>	<u>\$ 5,279</u>

Estimated Oil, Natural Gas and NGL Reserve Quantities. The Trust's independent petroleum engineering firm, Netherland, Sewell & Associates, Inc. ("NSAI"), estimated all of the proved reserves as of December 31, 2025 attributable to the Royalty Interests. The qualifications of the technical person at NSAI primarily responsible for overseeing the firm's preparation of the Trust's reserve estimates are set forth below.

- over 30 years of practical experience in the estimation and evaluation of reserves;
- licensed professional engineer in the State of Texas; and
- Bachelor of Science in Mechanical Engineering, Bachelor of Science in Geology and Master of Science in Geology.

Proved oil, natural gas and NGL reserves are those quantities of oil, natural gas and NGL 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

CHESAPEAKE GRANITE WASH TRUST
SUPPLEMENTARY INFORMATION - (Continued)

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. Existing economic conditions include prices and costs at which economic productivity from a reservoir is to be determined. Based on reserve reporting rules, the price is calculated using the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within the period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. 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 establish 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 natural 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.

Developed oil, natural gas and NGL reserves are reserves of any category that can be expected to be recovered through existing wells with existing equipment and operating methods where production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

The information provided below on the oil, natural gas and NGL reserves attributable to the Royalty Interests is presented in accordance with regulations prescribed by the SEC. The reserve estimates are generally based upon extrapolation of historical production trends. Accordingly, these estimates will change as future information becomes available and as commodity prices change. These changes could be material and could occur in the near term.

Presented below is a summary of changes in estimated reserves attributable to the Royalty Interests for 2025 and 2024.

	December 31, 2025			
	Oil (mbbl)	Natural Gas (mmcf)	NGL (mbbl)	Total (mboe)
Proved reserves, beginning of period	262	6,964	527	1,950
Revisions of previous estimates ⁽¹⁾	15	1,423	60	312
Production	(30)	(771)	(62)	(221)
Proved reserves, end of period	<u>247</u>	<u>7,616</u>	<u>525</u>	<u>2,041</u>
Proved developed reserves:				
Beginning of period	<u>262</u>	<u>6,964</u>	<u>527</u>	<u>1,950</u>
End of period	<u>247</u>	<u>7,616</u>	<u>525</u>	<u>2,041</u>
Proved undeveloped reserves:				
Beginning of period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
End of period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

CHESAPEAKE GRANITE WASH TRUST
SUPPLEMENTARY INFORMATION - (Continued)

	December 31, 2024			
	Oil (m bbl)	Natural Gas (mmcf)	NGL (m bbl)	Total (m boe)
Proved reserves, beginning of period	419	13,035	1,001	3,593
Revisions of previous estimates ⁽²⁾	(115)	(5,104)	(394)	(1,360)
Production.....	(42)	(967)	(80)	(283)
Proved reserves, end of period.....	262	6,964	527	1,950
Proved developed reserves:				
Beginning of period.....	419	13,035	1,001	3,593
End of period.....	262	6,964	527	1,950
Proved undeveloped reserves:				
Beginning of period.....	—	—	—	—
End of period.....	—	—	—	—

- (1) During 2025, the Trust recorded upward reserve revisions of 312 mboe resulting from increases in oil and natural gas prices and positive expense revisions based on recent experience.
- (2) During 2024, the Trust recorded downward reserve revisions of 1,360 mboe resulting from decreases in oil and natural gas prices and negative expense revisions.

Standardized Measure of Discounted Future Net Cash Flows. Financial Accounting Standards Board ("FASB") Accounting Standards Topic 932, *Extractive Activities - Oil & Gas*, prescribes guidelines for computing a standardized measure of future net cash flows and changes therein relating to estimated proved reserves. The Operator has advised the Trustee that the Operator followed these guidelines, which are briefly discussed below.

Future cash inflows and future production costs as of 2025 and 2024 were determined by applying the trailing average of the first-day-of-the-month prices for the 12 months of the year and year-end costs to the estimated quantities of oil, natural gas and NGL to be produced. Actual future prices and costs may be materially higher or lower than the trailing 12-month average prices and year-end costs used. For each year, estimates are made of quantities of proved reserves and the future periods during which they are expected to be produced based on continuation of the economic conditions applied for that year. The resulting future net cash flows are reduced to present value amounts by applying a 10% annual discount factor.

The assumptions used to compute the standardized measure are those prescribed by FASB and, as such, do not necessarily reflect the expectations of actual revenue to be derived from those reserves nor their present worth. The limitations inherent in the reserve quantity estimation process, as discussed previously, are equally applicable to the standardized measure computation since these estimates reflect the valuation process.

CHESAPEAKE GRANITE WASH TRUST
SUPPLEMENTARY INFORMATION - (Continued)

The following summary sets forth the future net cash flows relating to proved oil, natural gas and NGL reserves based on the standardized measure:

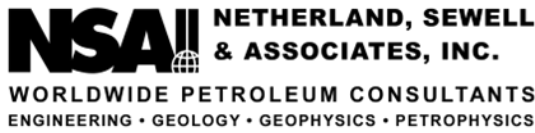
	Years Ended December 31,	
	2025	2024
	(\$ in thousands)	
Future cash inflows	\$ 46,356 ⁽¹⁾	\$ 39,721 ⁽²⁾
Future production taxes	(2,193)	(1,666)
Future development costs ⁽³⁾	—	—
Future income tax provisions ⁽⁴⁾	—	—
Future net cash flows	<u>44,163</u>	<u>38,055</u>
Less effect of a 10% discount factor	<u>(18,832)</u>	<u>(14,542)</u>
Standardized measure of discounted future net cash flows	<u>\$ 25,331</u>	<u>\$ 23,513</u>

- (1) Calculated using prices of \$3.39 per mcf of natural gas and \$66.01 per bbl of oil, before field differentials. Including the effect of price differential adjustments, the prices used in computing the reserves attributable to the Royalty Interests as of December 31, 2025 were \$2.45 per mcf of natural gas, \$62.80 per barrel of oil and \$23.24 per barrel of NGL.
- (2) Calculated using prices of \$2.13 per mcf of natural gas and \$76.32 per bbl of oil, before field differentials. Including the effect of price differential adjustments, the prices used in computing the reserves attributable to the Royalty Interests as of December 31, 2024 were \$1.12 per mcf of natural gas, \$74.23 per barrel of oil and \$23.66 per barrel of NGL.
- (3) Future net cash flow has been calculated without deduction for future development costs as the Trust does not bear those costs.
- (4) No provision for federal or state income taxes has been provided for in the calculation because taxable income is passed through to the unitholders of the Trust.

Changes in Standardized Measure of Discounted Future Net Cash Flows. The following schedule reconciles the changes for the years ended 2025 and 2024 in the standardized measure of discounted future net cash flows relating to proved reserves:

	Years Ended December 31,	
	2025	2024
	(\$ in thousands)	
Standardized measure, beginning of period	\$ 23,513	\$ 35,081
Sales of oil and gas produced, net of production costs	(5,158)	(6,012)
Net changes in prices and production costs	3,091	97
Revision of previous quantity estimates	3,865	(13,487)
Accretion of discount	2,351	3,508
Production timing and other	<u>(2,331)</u>	<u>4,326</u>
Standardized measure, end of period	<u>\$ 25,331</u>	<u>\$ 23,513</u>

Annex A - Annual Reserve Report



<p>CHAIRMAN & CEO RICHARD B. TALLEY, JR.</p> <p>PRESIDENT & COO ERIC J. STEVENS</p>	<p>EXECUTIVE COMMITTEE ROBERT C. BARG P. SCOTT FROST JOHN G. HATTNER JOSEPH J. SPELLMAN</p>
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February 16, 2026

Mr. Bradley G. Gray
Diversified Energy Company PLC
1600 Corporate Drive
Birmingham, Alabama 35242

Dear Mr. Gray:

In accordance with your request, we have estimated the proved developed producing reserves and future revenue, as of December 31, 2025, to the Chesapeake Granite Wash Trust (CGWT) royalty interest in certain oil and gas properties located in Colony Granite Wash Field, Oklahoma. We completed our evaluation on or about the date of this letter. It is our understanding that the proved reserves estimated in this report constitute all of the proved reserves owned by CGWT. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and, with the exception of the exclusion of future income taxes, conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas. Definitions are presented immediately following this letter. This report has been prepared for CGWT's use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the net reserves and future net revenue to the CGWT royalty interest in these properties, as of December 31, 2025, to be:

Category	Net Reserves				Future Net Revenue (M\$)	
	Oil (MBBL)	NGL (MBBL)	Gas (MMCF)	Gas Equivalent (MMCFE)	Total	Present Worth at 10%
Proved Developed Producing	246.8	524.6	7,616.1	12,244.7	44,163.4	25,331.2

The oil volumes shown include crude oil and condensate. Oil and natural gas liquids (NGL) volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases. Gas equivalent volumes are expressed in millions of cubic feet equivalent (MMCFE), determined using the ratio of 6 MCF of gas to 1 barrel of liquids.

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. Our study indicates that as of December 31, 2025, there are no proved developed non-producing or proved undeveloped reserves for these properties. As requested, probable and possible reserves that may exist for these properties have not been included. The estimates of reserves and future revenue included herein have not been adjusted for risk. This report does not include any value that could be attributed to interests in undeveloped acreage.

Gross revenue is CGWT's share of the gross (100 percent) revenue from the properties prior to any deductions. Future net revenue is after deductions for CGWT's share of production taxes and ad valorem taxes but before

consideration of any income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

Prices used in this report are based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for each month in the period January through December 2025. For oil and NGL volumes, the average West Texas Intermediate spot price of \$66.01 per barrel is adjusted for quality, transportation fees, and market differentials. For gas volumes, the average Henry Hub spot price of \$3.387 per MMBTU is adjusted for energy content, transportation fees, and market differentials. The adjusted product prices of \$62.80 per barrel of oil, \$23.24 per barrel of NGL, and \$2.451 per MCF of gas are held constant throughout the lives of the properties.

Because CGWT owns no working interest in these properties, no operating costs would be incurred. However, estimated operating costs have been used to confirm economic producibility and determine economic limits for the properties. These costs are based on operating expense records of Diversified Energy Company (DEC), the operator of the majority of the properties. Operating costs are not escalated for inflation. CGWT would not incur any costs due to abandonment, nor would it realize any salvage value for the lease and well equipment.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. Since CGWT owns a royalty interest rather than a working interest in these properties, it would not incur any costs due to possible environmental liability.

We have made no investigation of potential volume and value imbalances resulting from overdelivery or underdelivery to the CGWT royalty interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on CGWT receiving its royalty interest share of estimated future gross production. Additionally, we have made no specific investigation of any firm transportation contracts that may be in place for these properties; our estimates of future revenue include the effects of such contracts only to the extent that the associated fees are accounted for in the historical field- and lease-level accounting statements.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred by the working interest owners in recovering such reserves may vary from assumptions made while preparing this report.

For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis and analogy, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from DEC, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not examined the titles to the properties or independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet

the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. Robert C. Barg, a Licensed Professional Engineer in the State of Texas, has been practicing consulting petroleum engineering at NSAI since 1989 and has over 6 years of prior industry experience. William J. Knights, a Licensed Professional Geoscientist in the State of Texas, has been practicing consulting petroleum geoscience at NSAI since 1991 and has over 10 years of prior industry experience. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

/s/ Richard B. Talley, Jr.

By:

Richard B. Talley, Jr., P.E.
Chairman and Chief Executive Officer

/s/ Robert C. Barg

By:

Robert C. Barg, P.E. 71658
Senior Vice President

/s/ William J. Knights

By:

William J. Knights, P.G. 1532
Vice President

Date Signed: February 16, 2026

Date Signed: February 16, 2026

RCB:BDC

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir.* Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

- (i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);
- (ii) Same environment of deposition;
- (iii) Similar geological structure; and
- (iv) Same drive mechanism.

Instruction to paragraph (a)(2): Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen.* Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate.* Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate.* The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves.* Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
- (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Supplemental definitions from the 2018 Petroleum Resources Management System:

Developed Producing Reserves – Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery Reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.
- (ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.
- (iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.
- (iv) Provide improved recovery systems.

(8) *Development project.* A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

(9) *Development well.* A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

(10) *Economically producible.* The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.

(11) *Estimated ultimate recovery (EUR).* Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.

(12) *Exploration costs.* Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.
- (ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.
- (iii) Dry hole contributions and bottom hole contributions.
- (iv) Costs of drilling and equipping exploratory wells.
- (v) Costs of drilling exploratory-type stratigraphic test wells.

(13) *Exploratory well.* An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.

(14) *Extension well.* An extension well is a well drilled to extend the limits of a known reservoir.

(15) *Field*. An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

(16) *Oil and gas producing activities*.

(i) Oil and gas producing activities include:

- (A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;
- (B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;
- (C) The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
 - (1) Lifting the oil and gas to the surface; and
 - (2) Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and
- (D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

Instruction 1 to paragraph (a)(16)(i): The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

- a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and
- b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

Instruction 2 to paragraph (a)(16)(i): For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

(ii) Oil and gas producing activities do not include:

- (A) Transporting, refining, or marketing oil and gas;
- (B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;
- (C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or
- (D) Production of geothermal steam.

(17) *Possible reserves*. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

- (i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

- (ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.
- (iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.
- (iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.
- (v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.
- (vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

- (i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.
- (ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.
- (iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.
- (iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

(19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

(20) *Production costs.*

- (i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:
 - (A) Costs of labor to operate the wells and related equipment and facilities.
 - (B) Repairs and maintenance.
 - (C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.
 - (D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.
 - (E) Severance taxes.

(ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.

(21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.

(22) *Proved oil and gas reserves.* Proved oil and gas reserves are 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.

(i) The area of the reservoir considered as proved includes:

- (A) The area identified by drilling and limited by fluid contacts, if any, and
- (B) 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.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) 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.

(iv) 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:

- (A) 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
- (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the 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.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

(25) *Reliable technology.* 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.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas: 932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

- a. *Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*
- b. *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:

- a. *Future cash inflows.* These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.
- b. *Future development and production costs.* These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.
- c. *Future income tax expenses.* These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.
- d. *Future net cash flows.* These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.
- e. *Discount.* This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.
- f. *Standardized measure of discounted future net cash flows.* This amount is the future net cash flows less the computed discount.

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

(28) *Resources.* Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

(29) *Service well.* A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well.* A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves.* Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

- (i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.
- (ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):

Although several types of projects — such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations — by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule. Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:

- *The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*
- *The company's historical record at completing development of comparable long-term projects;*
- *The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*
- *The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*
- *The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties.* Properties with no proved reserves.