

Battalion Oil Announces Letter of Intent for Joint Development Agreement to Accelerate Monument Draw Activity

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Houston, May 05, 2026 - [Battalion Oil Corp.](#) (NYSE American: BATL, "Battalion" or the "Company") today announced the execution of a letter of intent ("LOI") with an unaffiliated industry partner outlining the key terms of a Joint Development Agreement ("JDA").

Key Highlights

- Executed a LOI with an unaffiliated industry partner contemplating a JDA for an up to eight-well Monument Draw program (located in Ward County, Texas) that would provide shared capital and an accretive carry to Battalion while accelerating development of core inventory
- Battalion would continue to operate the wells and retain a majority working interest in the program
- Development targets the 3rd Bone Spring, Wolfcamp A, and Wolfcamp B formations in Monument Draw, building on the Company's recently announced expansion of sour gas compression capacity in Monument Draw
- This drilling program is expected to deliver very attractive returns and prove out extensive additional drilling locations
- Development transitions Battalion's operations to cube development across its primary benches, mirroring the successful co-development approach demonstrated by offset operators in the area and designed to maximize recovery and capital efficiency across the stacked-pay column
- This is a key step in our progress toward a multi-year drilling program to generate significant shareholder value
- Separately, the Company is also negotiating an accretive refinance of long-term debt and an oil transport and marketing partnership to further enhance the corporate benefit of this JDA

Management Comments

Battalion has executed an LOI with an unaffiliated industry partner contemplating a JDA to jointly fund the development of an up to eight-well program in Monument Draw, located in Ward County, Texas. The proposed program would target the 3rd Bone Spring, Wolfcamp A, and Wolfcamp B formations and be operated by Battalion. The Monument Draw JDA is intended to represent the first step in Battalion's transition to true cube development of its primary benches, an approach that has been successfully deployed by offset operators across the basin and is designed to maximize hydrocarbon recovery, optimize well spacing, and improve capital efficiency across the stacked-pay column. The transaction structure would provide shared capital across the program and an accretive carry to Battalion, enhancing the Company's drilling economics while preserving its majority working interest in these wells and expanding optionality across its development plans. The proposed JDA will complement the recently announced expansion of sour gas compression capacity in Monument Draw, which is expected to come online in early Q3 2026 and help unlock maximum production capability across the Company's Ward and Winkler County assets. The proposed transaction is subject to negotiation and execution of definitive documentation and final approval by Battalion's Board of Directors.

"We are pleased to announce the signing of a letter of intent with an unaffiliated industry partner contemplating a Joint Development Agreement that will enhance our drilling economics and provide additional optionality in our operational plans," said Matt Steele, Chief Executive Officer of Battalion Oil. "The shared capital structure and accretive carry allow Battalion to accelerate development of our core Monument Draw inventory while maintaining operatorship and a majority of the working interest in these wells. Combined with our recently announced expansion of compression capacity and our strong well-level economics, this proposed partnership positions Battalion to continue increasing production and returns through current well optimization, new drilling activity, and strategic M&A. We look forward to working with our partner to finalize definitive documentation in the coming weeks."

Forward Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements that are not strictly historical statements constitute forward-looking statements. Forward-looking statements include, among others, statements about the proposed Joint Development Agreement and the timing and likelihood of executing definitive documentation, anticipated production, liquidity, capital spending, drilling and completion plans, and forward guidance. Forward-looking statements may often, but not always, be identified by the use of such words such as "expects", "believes", "intends", "anticipates", "plans", "estimates", "projects", "potential", "possible", or "probable" or statements that certain actions, events or results "may", "will", "should", or "could" be taken, occur or be achieved. Forward-looking statements are based on current beliefs and expectations and involve certain assumptions or estimates and are subject to risks and uncertainties, including the risk that the proposed Joint Development Agreement may not be executed on the terms contemplated by the LOI or at all, that could cause actual results to differ materially from those reflected in the statements. These risks include, but are not limited to, those set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, and other filings submitted by the Company to the SEC, copies of which may be obtained from the SEC's website at www.sec.gov or through the Company's website at www.battalionoil.com. Readers should not place undue reliance on any such forward-looking statements, which are made only as of the date hereof. The Company has no duty, and assumes no obligation, to update forward-looking statements as a result of new information, future events or changes in the Company's expectations.

About Battalion

[Battalion Oil Corporation](#) is an independent energy company engaged in the acquisition, production, exploration and development of onshore oil and natural gas properties in the United States.

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