

Penn Play Partners

Penn Play Project

10,000-acre position in the primary area of the **Penn Shale Play**. The time is now, a sense of urgency is in the play and great new wells are exceeding our production models.

The first well of 3 initial wells will be spud in the 2nd quarter of 2025. The **EPI / Ross #H-1** with a 5200' vertical section and a 4500' lateral using 25 stages of stimulation.

The first wells production is expected in the second quarter of 2025. And, then one well each month.

Upon a positive evaluation of the first three wells we will begin drilling a well per month until a third of the acreage is developed or until we have approximately 25 wells on production.

At which time we will consider divestiture opportunities in 2027. The geology, timing and economics for the development of this project are excellent achieving 4:1 + ROI within 3 years (sensitivity case).

- **10,000 acres @ \$800.00 (.75) (Land, Leasing & Legal) \$6,000,000.00**

- **AFE D&C per well is: \$2,934,601.12**

3 well total of: \$8,803,803.36

- **Total for Initial Phase: \$14,803,803.40**

- **225,000 + EUR per well**

- **Between 62 / 78 + Locations (Between 15,600,000 BOE – 20,000,000 BOE)**

- **15,600,000 + EUR for the project (WD VonGonten PE)**

- **75% NRI 11,700,000 EUR realized @ (15,600,000 sensitivity case)**

- **22 Additional developmental wells: \$64,561,224.60**

- **Total two-year investment of: \$81,365,028.00**

- **Exit Strategy planning 2025 with possible divestiture in 2025-2026**

- **Anticipated 4:1 + ROI @ \$60- \$65 oil at time of divestiture (sensitivity case)**

- **37 / 53 Remaining PDNP / PUD Locations (Possibility of continued drilling and additional leasing)**

Phase I: Total Lease Capture (Land Work, Legal, Title Opinion & Acreage) is \$800.00 per acre for approximately 10,000 acres, being / \$8,000,000.00. Similar acreage is selling for over \$3,000.00 per acre 100 miles away. When our first wells are on production the acreage prices in our area will rise quickly. **Phase I:** Lease capture (Landman work, Leasing & Legal). **A 75% WI is \$6,000,000.00 (turnkey).**

Phase II: Drill & Complete 3 wells @ \$2,814,245.00 per well for a total of **(\$8,442,735.00) plus (\$6,000,000.00). Total investment to this point for the 75% WI would be \$14,803,803.40.**

This is the amount we are seeking now \$14,803,803.40

Phase III: Evaluate and optimize development plan for the field (22 wells within 2 years). Additional capital required \$61,913,390.00 for 22 wells. EPI will arrange this funding round. We will arrange a revolving line of credit somewhere between \$25,000,000.00 - \$40,000,000.00. If the 75% WI partner wants to be included they may be in our financing at cost, and without any additional cost or promotion. Otherwise, you will be billed by AFE each month as we add additional wells (for the remaining wells).

Phase IV: Continue leasing in the trend and development of the field or plan for divestiture in 2027+.

EPI will be carried for 25% through phase II. Please let me know if you have an interest in a presentation of the materials for this opportunity and I will be glad to arrange a meeting via Zoom link. We will be using a standard form AAPL Joint Operating Agreement with COPAS.

1/32nd = .03125 WI = \$616,825.14

1/16th = .0625 WI = \$1,233,650.28

1/8th = .125 WI = \$2,467,300.57

1/4th = .25 WI = \$4,934,601.13

1/2 = .50 WI = \$9,869,202.27

3/4 = .75 WI = \$14,803,803.40

Schedule of Funding:

- 10% is due within one week of signing the Letter Agreement (this secures your purchase).
- Submit a 10% deposit of \$600,000.00 by Bank transfer to CRWI (Lease Agent) for your 75% WI. Or, you may pay the full \$6,000,000.00 now. This is preferred and will get us drilling sooner.
- The balance due for the acreage money, is \$5,400,000.00. Due within 60 days of your deposit. Or, not at all if you pay the \$6,000,000.00 initially.
- We will begin drilling the 1st well in approximately 120 days after your full 75% lease payment.
- Begin preparing your Assignments with our land team and attorney for recording.
- We will remind you two weeks before the rig moves on location, you will have one week to send your funds for the 1st well, being approximately \$2,934,601.12. A new Authorization for Financial Expenditure (AFE) will be made with the exact amount.
- Funds for the second well will be due 3 weeks after the first well begins. We will send an email notification giving you a one-week reminder.
- Funds for the third well will be due 3 weeks after the second well begins. We will send an email giving you a one-week reminder.
- Thank you for your interest in participating in the Penn Play Project!

If you are interested in a presentation of the project materials, send me an email or give me a call. We can schedule a Zoom video call and get into the project details.

Respectfully Submitted,

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