



ENDEAVOR RESOURCES, LLC



Francis Grace #1

Frac and Acid Job

CONFIDENTIAL

EXECUTIVE SUMMARY

PROJECT SUMMARY

BJ2 WARSAW SLICKWATER FRAC AND ACID JOB



Endeavor Resources, LLC, an oil, and gas consulting company owned by **Danny Thomasson** and his wife **Brenda Thomasson**. Danny Thomasson has been involved with leasing minerals rights, raising capital via private placement memorandums, drilling activities, and completion of oil and gas wells in Christian County, Kentucky, which is in the Illinois Basin, for over 58 years.

My Dad, **Henry Thomasson** holding me in West Texas in 1952. We lived from *Texas, New Mexico, North and South Dakota as well as Montana*. Honing his trade, he left the farm in 1933 and work from lease hand to becoming a driller and owning his own Drilling Company. (1914-1977)



Danny began his career at the early age of 13, working with his father's oil drilling company until he left for the United States Marine Corps during the Vietnam War, and he has been associated with the industry all his life.

Danny also spent over 40 years in the insurance industry, primarily working with insurance carriers focused on new business development focusing on annuities, life, health, and property and casualty insurance products and the development of independent insurance agents and brokers. Danny also owned several independent insurance agencies over his career.

Why Recomplete Francis Grace #1 with a Slickwater Frac and Acid Job: With the success of operators in Western Kentucky and Southern Illinois using Slickwater Fracks on the Salem Warsaw Zone that has low porosity in many cases have been left behind the pipe are being opened and fracked with above average results. We feel that this is above average opportunity for success. The Salem Warsaw Formation is blanketed across the Christian County as well as other counties lying next to the county giving a wide range to work from.

STRUCTURE OF THE DEAL

60%
Net Revenue lease

15%
Management fee

\$60,000
Prospect fee for 189 acres

- ◆ Endeavor Resources will offer the proposed entities a 60 % Net Revenue lease.
- ◆ This is a cost Plus 15% management fee.
- ◆ There will be a geological prospect fee of \$60,000.00 for the 189 acres leasehold.
- ◆ There is availability for additional leaseholds as a farm-out basis.
- ◆ All oil and gas service companies are located in the Illinois basin, including drilling, cementing, and well services such as fracking and acidizing companies.
- ◆ Operator of the oil and gas leasehold will be a joint operators, Endeavor Resources, LLC. and Hilltopper Energy, Inc.

See Attached AFE's and Proforma for Project



WHY INVEST IN THE Francis Grace #1

ENDEAVOR RESOURCES, LLC, INC.

8525 State Route Highway 70 West Bremen,
Kentucky 42325

Phone: 270.543.5528

Fax: 1-270-640-0010

Email: endeavorresources.llc@gmail.com



TAX ADVANTAGE

TAX ADVANTAGE OF INVESTING IN OIL AND GAS

The following general discussion of a few of the tax advantages related to oil and gas investments is provided for background information only. Potential investors should consult with their own tax advisors. **Endeavor Resources, LLC. does not give tax advice and is not qualified to give tax advice.**

CONGRESSIONAL INCENTIVES ENCOURAGE DOMESTIC PETROLEUM DEVELOPMENT

Oil and natural gas production from domestic reserves helps to make our country more energy self-sufficient by reducing our dependence on foreign imports. In light of this, Congress passed the Tax Reform Act of 1986, which has provided attractive tax incentives to stimulate domestic natural gas and oil production financed by private sources. As a result, **oil and gas ventures are now on of the most tax - advantages investments available.** The act of 1986 specifically exempts oil and gas Working Interests from being classified as “Passive Income”. (See Section 469(c) (3) of the Tax Code). Thus, all deductions can be used to offset “active” or “ordinary” income. Specifically, these federal tax subsidies allow investors involved in exploration and production of oil and natural gas wells to write off the majority of their costs immediately. These incentives are not “Loop Holes” – they were placed in the Tax Code by Congress to make participation in oil and gas ventures one of the best tax advantaged investment.

INTANGIBLE DRILLING COST TAX DEDUCTION

When a well is drilled, there are several expenses that offer no salvage value, even if the drilled well is subsequently determined to be dry. These types of expenses are known as “Intangible Drilling and Completion Costs” (IDCs). Based on current tax laws, **IDCs are generally 100% deductible and are written off your ordinary income in the first year.** These intangible expenditures of drilling (labor, chemicals, fuel, mud, grease, logging, etc.) are usually the majority of the cost of a well. The IDC generally runs between 70% to 80% for oil wells and 80% to 90% for gas wells, of the total investment, and can be deducted either as a first year expense, or amortized over five years beginning in the year in which the well is placed in production. For example, a \$100,000 investment could typically yield up to \$75,000 in tax deductions during the first year of the venture. These deductions are available in the year the money was invested, even if the well does not start drilling until March 31 of the year following the contribution of capital.

(See Section 263 of the Tax Code) <http://www.irs.gov/publications/p535/ch08.html#doe6362>

TANGIBLE DRILLING COST TAX DEDUCTION

As opposed to materials and services that offer no salvage value, equipment used in the completion and production of a drilled well is generally salvageable. Because these items retain a salvage value, they must be depreciated over time. These items include pipe, storage tanks, and wellhead equipment, capitalized and depreciated. The total amount of the investment allocated to the equipment, or Tangible Drilling Costs (IDCs), is **100% Tax Deductible.** In the example above, the remaining tangible costs \$25,000 (may be deducted as depreciation over a seven-year period).

(See Section 263 of the Tax Code) <http://www.irs.gov>

[This portion of the investment is depreciated over a five to seven-year period using the Accelerated Cost Recovery System (ACRS), or expensed in the first year based upon Section 179 of the IRS code, subject to limitations. Some companies currently utilize the Modified Accelerated Cost Recovery System to account for depreciation of these expenses. (See Section 179 of the Tax Code)]

Under the Job Creation and Worker Assistance Act, 100% of the depreciation up to \$100,000 is deductible in the first year of the investment.

ACTIVE VS. PASSIVE INCOME

The Tax Reform Act of 1986 introduced into the Tax Code the concepts of “Passive” income and “Active” income. The Act prohibits the offsetting of losses from Passive activities against income from Active businesses. The Tax Code specifically states that a Working Interest in an oil and gas well is not a “Passive” activity, therefore, deductions can be offset against income from active stock trades, business income, salaries, etc. (See Section 469(c) (3) of the Tax Code)

SMALL PRODUCERS TAX EXEMPTION (PERCENTAGE DEPLETION ALLOWANCE)

The 1990 Tax Act provided some special tax advantages for small companies and individuals, the typical participants in oil and gas drilling projects. After a well is drilled and is producing, the owners of the production are allowed to **shelter some of the gross income** through a depletion deduction. This tax incentive, known as the “Percentage Depletion Allowance”, is specifically intended to encourage participation in oil and gas drilling. This tax benefit is not available to large oil companies or taxpayers who sell oil or natural gas through retail outlets or those who engage in refining crude oil with runs of more than 50,000 barrels per day. It is also not available for entities owning more than 1,000 barrels of oil (or 6,000,000 cubic feet of gas) average daily production. **The “Small Producers Exemption” specifically allows 15% of oil income and 15 to 22% of gas income from a producing property to be tax free.** Two types of depletion calculations may be used, cost depletion or percentage (statutory) depletion. (See Section 613A of the Tax Code)

LEASE OPERATING AND PRODUCTION COSTS

Lease costs (purchase of leases, minerals, etc.), sales expenses, legal expenses, administrative accounting, and Lease Operating Costs (LOC) are 100% tax deductible through cost depletion. The operating costs, including but not limited to, pumping costs, well maintenance costs, mineral severance taxes, transportation costs, insurance, tax preparation, bank fees, filing fees and all other costs associated with the production of income from oil and gas wells, are **100% deductible** in the year in which the cost is incurred.



ALTERNATIVE MINIMUM TAX

Prior to the 1992 Tax Act, working interest participants in oil and gas joint ventures were subject to the Alternative Minimum Tax to the extent that this tax exceeded their regular tax. The 1992 Tax Act specifically exempted Intangible Drilling Cost as a Tax Preference Item. "Alternative Minimum Taxable Income" generally consists of adjusted gross income, minus allowable Alternative Minimum Tax itemized deduction, plus the sum of tax preference items and adjustments. "Tax Preference Items" are preferences existing in the Tax Code that can greatly reduce or eliminate regular income taxation. Included within this group are deductions for excess intangible Drilling and Development Costs and the deduction for depletion allowable for a taxable year over the adjusted basis in the Drilling 130 acres and the wells thereon.

<http://www.irs.gov>

Dry Hole: In the event that you invest in a non-producing well, 100% of all dollars invested are written off as a loss against your ordinary income in the first year, subject to AMT limitations.

TAX BILL GIVES INCENTIVE TO MARGINAL WELLS

The US Senate and House of Representative have passed a tax incentive bill to help small oil and gas producers. This bill provides a tax credit of up to \$9 per well per day for marginal wells. A typical marginal well pumps 15 barrels of crude or 90 thousand cubic feet of gas per day. There are 650,000 "marginal" or "stripper" oil and gas wells in the USA. Marginal wells provide as much as 25 percent of the nations' crude supply (on par with (Saudi Arabia) and about 10 percent of gas stocks. In 2002 alone, 17,500 oil and gas wells were permanently plugged with cement (13,600 oil wells and 3,900 gas wells). This tax bill will act as a safety net to save many of these wells, thereby reducing our reliance on the Middle East. The tax credit phases-in if the average crude price for a year is less than \$18 a barrel or \$2 per thousand cubic feet of gas. The maximum tax credit is \$3 a barrel for the first three barrels of crude produced if prices plunge below \$15 a barrel, and 50 cents per thousand cubic feet if gas prices average less than \$1.67 per thousand cubic feet. (Note: July 2007 - Crude oil is now above \$70 a barrel on the New York Mercantile Exchange and gas futures are near \$6.50 per thousand cubic feet)

From Houston Chronicle, October 12, 2004



THESE ARE SIGNIFICANT TAX BENEFITS FOR THE INDIVIDUAL OIL AND GAS INVESTOR; their benefits can be maximized with proper tax planning. This is only a brief explanation of a few of the federal tax considerations of investing in oil and gas ventures. The above examples are for general information only and not intended to be construed as legal or individual tax advice. The Federal Tax Laws are very complex and this discussion is not to be considered comprehensive or complete. Each investor should consult his or her own personal tax advisor concerning the applicability and effect on his or her personal tax situation of federal, state, and local tax laws. Tax laws change from time to time and there can be no guarantee of the interpretation of the tax laws.

DIVISION ORDERS & INVESTOR PAYMENTS

Information on Division Orders and How the Investor is paid



When CountryMark is contacted to purchase crude oil from a new well for refining, the Well Operator has a choice of getting the revenue sent to him from CountryMark, and then in turn sending revenue checks to investors himself, or, the Operator may choose to cut himself out of the loop by assigning the interests to investors and allowing CountryMark to send the revenue payments, net of expenses, directly to the investors.

OVERVIEW OF PROCEDURES FOR DIVISION ORDERS

CountryMark is contacted by the well operator that he wishes to sell his oil to them. CountryMark assigns a lease number and starts to haul the oil once the operator advises us that he has oil ready to sell, and CountryMark holds the proceeds in suspense until we have been furnished with a title opinion from an oil and gas attorney. This attorney advises CountryMark who owns what and in what percentages.

If the Operator has investors, and wants CountryMark to send them their payments, the Operator will need to make Assignments to these investors, and this information will need to be furnished to the attorney. The Assignments only need to be signed by the operator, and will need to be recorded in the county in which the lease is located. The attorney does a check of the records of the county to determine the ownership of a lease. If no Assignments are made by the Operator to any of his investors, then the working interest will all be paid to the Operator. (This is because we pay record title.) If Assignments are made to the investors, CountryMark will pay the investors directly, and will not pay the Operator for these investor's proceeds, because we pay record title (or what has been put of record in the county where the lease is located.) Once the Operator makes assignment to the Investors, the Operator no longer will receive checks from the well other than for the portion due to him.

Once we have received the Title Opinion from the operator, we will issue Division Orders that will need to be signed by each owner before payment can be made. The Division Order comes with the optional authorization for electronic deposit. If you sign this, you will get direct deposit of your revenue check to the bank account you specify. Upon return of the Division Orders and the approval by the attorney, CountryMark will distribute the revenues directly to investors, by either check or electronic payment. In either case, you will receive a statement showing the total lease production, etc.

If the operator chooses to use our Operator Expense Program at the time we issue division orders, CountryMark will issue what we call an Operator Expense Division Order. Under this program, the operator reports the expenses to us, and we deduct that amount of expenses from the owners check. The owner's statement will show them the total amount of expenses that have been deducted. CountryMark relies upon the operator to report the correct amount of expenses to us, and only enters what has been submitted by them.

Our statements show the following:

Barrels Produced - both entire lease and owners % of barrels

Gross Revenue - both entire lease and owners gross amount

Taxes - both entire lease and owners tax amount

Net Revenue - both entire lease and owners net amount

Our statement does not include the price/bbl, but it can be calculated. CountryMark statements also include a Y-T-D value.

THIS IS JUST A BRIEF DESCRIPTION OF WHAT TAKES PLACE, IT IS MUCH MORE DETAILED.

CountryMark Cooperative, LLP

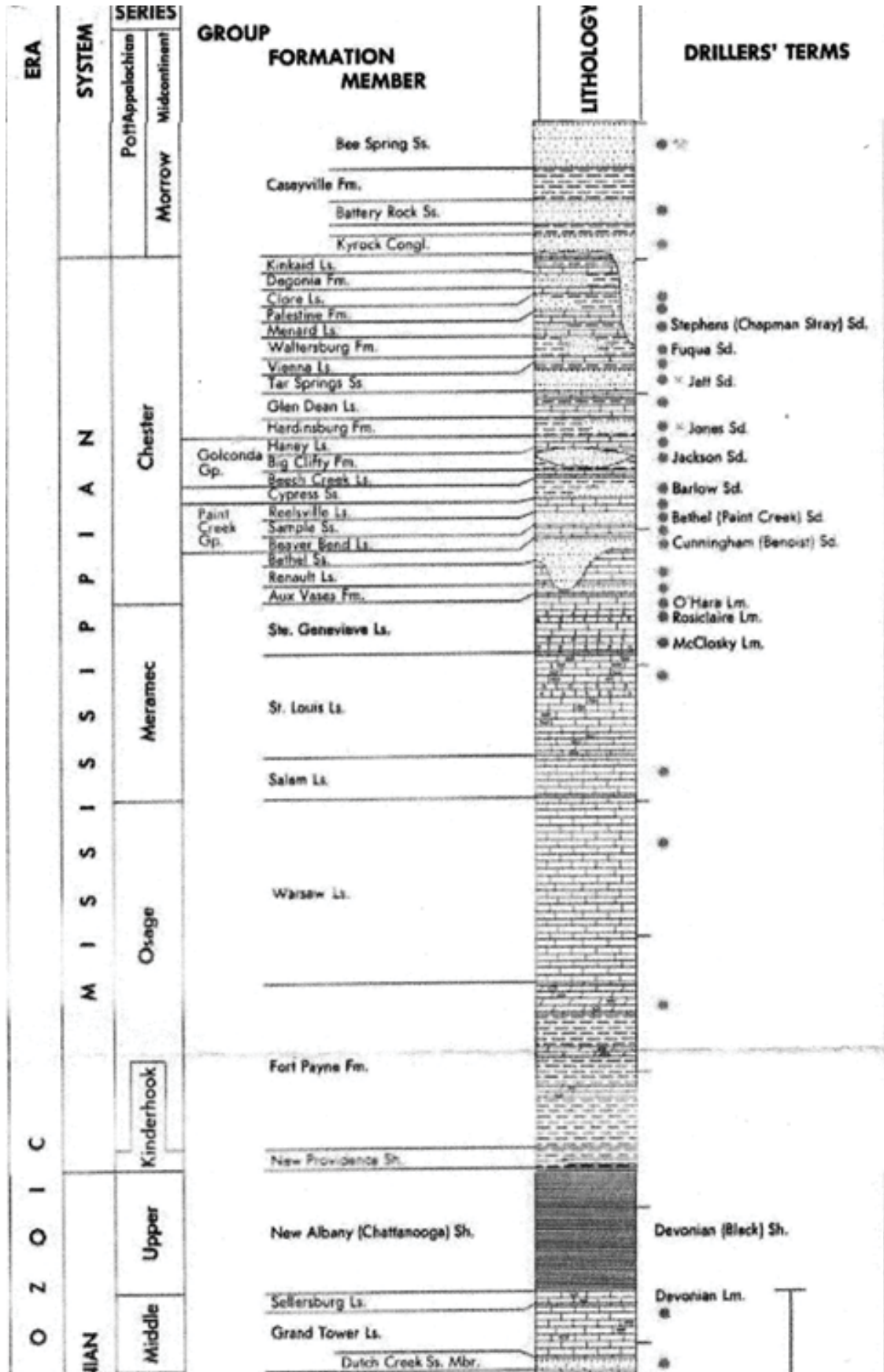
1200 Refinery Road, Mt. Vernon, IN 47620

1-800-832-5490

<http://www.countrymark.com/>



GEOLOGY REPORT



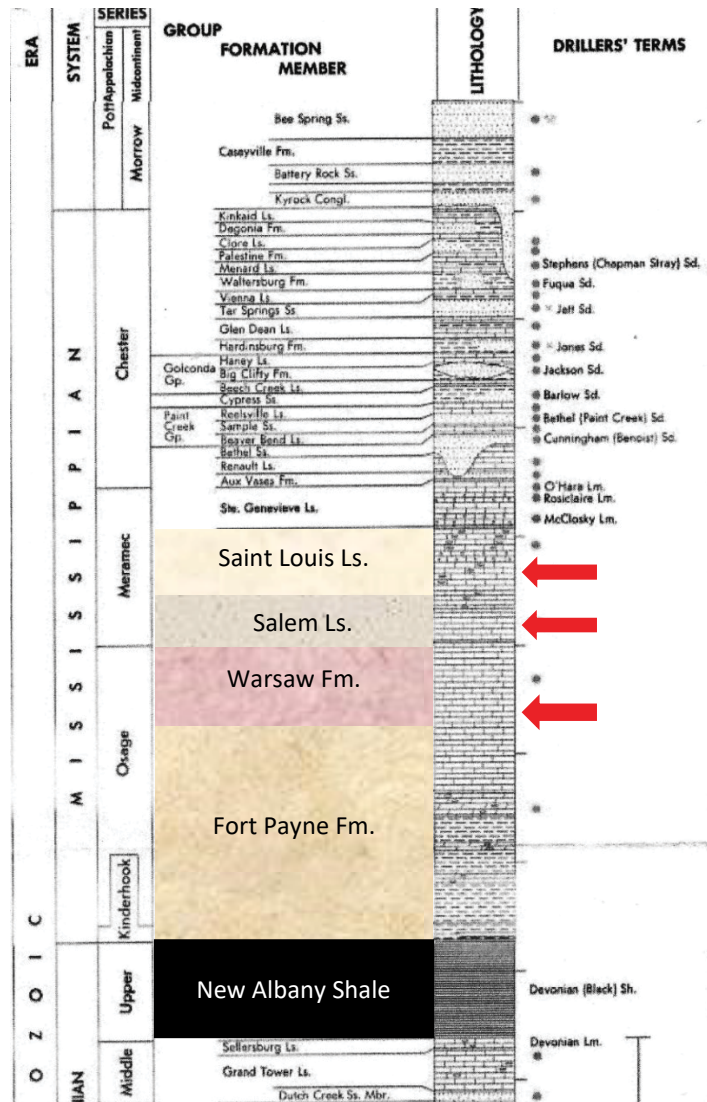
SWABBING MICHAEL SLINKER NO. 1

After successful Frac Job
May, 2024



MAIN FORMATION OF INTEREST: WARSAW

Figure #2: West Kentucky Stratigraphic Column showing the relative position of the Warsaw Formation relative to other oil pay formations.



Source: Kentucky Geological Survey. Oil and Gas Map of Western Kentucky

Thomas J. Sauer

Licensed Professional Geologist – *Illinois, Indiana, and Kentucky*

7845 Stanely Birk City Road, Owensboro, KY 42301

Responsible for the discovery of over 4 million barrels of oil and One Billion MCF of Gas over more than four decades of field exploration and development

WORK EXPERIENCE

2010 - Current

Independent Geologist

1998 – 2010 Self Employed

Independent Consultant

1997 - 1998 Farrar Oil Company, Mt. Vernon, Illinois

Geologist

Duties: Generate Oil/Gas prospects, well-site geology, analyze oil/gas prospects, data, etc., coordinate drilling and completion work both, state and federal liaison work, log evaluation, and some consulting.

1988 – 1997 Har-Ken oil company, Owensboro Kentucky

Har-Ken Oil company purchased by Farrar oil company August 1997. Geologist.

Duties: similar responsibilities to duties at Farrar Oil.

1985-1988 Self-Employed

Consulting concerning oil and gas lease in the tri-state area.

1982-1985 Interstate Drilling Company, Inc., Owensboro, KY

Vice President and General Manager

Supervisory duties included managing office and field staff of 27 employees, operations and maintenance of two drilling rigs, one completion rig and seven vehicles; instituted operational and procedural systems for the disposition of annual drilling budget in excess of 2 million; conducted geological mapping, prospect investigations, sample analysis in excess of 125 wells in Southern Indiana, Western Kentucky coal,field portion of the Illinois Basin and in Ohio. Promoted from position of staff geologist.

Self-Employed

Worked as independent consultant for the oil and gas industry with limited exposure to the coal industry. Partial clientele list include: R.E. Williams, Memphis, TN, Blackstar Petroleum, Resource Development Group, Har-Ken Oil Company, Orbit Gas, Bonaventure Brothers, Basin Oil, Inc., Green Coal Company, Eagle Exploration Company, Interstate Oil and Gas, Inc., Barger Engineering, Bretagne Group, Walt Cline, J.C. Ellis Estate, First National Bank of Carmi IL, and Tri-Star Oil and Geigo Company, Innovative Gas, Jordan Oil and Gas, Knierim Company, A.E. Smith, Napper Oil Downing Industries, J.R. Powell, L. Quinn, Rebstock Oil, Blue Ridge Group, D. Scheffer, Har-Ken Agent, OK, W.J. Williams and Associates, Ambros Oil and Gas, J.R. Anderson, Lincoln Energy, Energy Resources, Conquest, Kelcas, Geico, and Trey Exploration.

PREVIOUS EXPERIENCE

- Teacher Davies County Kentucky Parochial School System
- Area states representative for RJ Reynolds Tobacco Company in western Kentucky
- Assistant golf professional at Owensboro Country Club Owensboro KY

Oil and gas seminars include: well completion, logging, fracturing, cementing, utilization of special tools, perforating, oilfield equipment, acidizing, drill stem testing, .U.S. Environmental Protection Agency underground injection system permitting. Seminars sponsored by Halliburton, Dowell, Schlumberger Well Services, Birdwell, Dresser Atlas, George Asquith, PhD.

COMPANIES WITH CREDIT ACCOUNT

Koontz, Schwartz, Boss, Norris Logging. Kentucky Well Service, Owensboro Supply, Ken's Supply, Scout Check Reliford Drilling, Weal Drilling, Vogler Services King Deep and Brannaman, Sampson Oil, Wayne County Well Services, Bradford Supply, Miller Testing, Dillman Chemicals, and others.

DRILLING COMPANIES WITH ASSOCIATIONS

Hard Rock, Weal, Gwaltney, Venture, Inglebarger, Mitchell, Indiana, Goff and Pruitt, Har-Ken, Pacific Central, Reliford, Vogler, and Carey.

EDUCATION

Bachelor of science from the **University of Kentucky** may 1970

196 credit hours with a heavy emphasis on geology. Employed summers for Texas Gas Transmission Corporation, Owensboro, Kentucky to earn tuition.

Graduate of Daviess Co. High School, 1964

MILITARY EXPERIENCE

1970-1971 Honorable Discharge.

📍 7777 Stanley Birk City Rd, Owensboro,Kentucky 42301

☎ 270-993-6376

✉ Sauergeo@yahoo.com

Danny Thomasson
Endeavor Resources,LLC
8525 State Rt 70 West
Bremen,Kentucky 42325
270-543-5528

Subject: Francis Grace#1
RN: 137724
PN: 105427

Sir:

Pursuant to your request please find a review of the caption well the author believes you need to preferate the following ascending order three holes per foot perforating from 1718/1722 to 1753/1764 to 1854/1868.

All zones above have sufficient resistivity calculating oil and gas with very little to no concentrate of water production if you're cement is in impervious there with are the standard industrial calculations NR

equals 7758 times D8 times H X QXSH XRF percentage BOI.

Where:

N r = Volumetric recoverable or reserves in the stock tank barrel

Da = Drainage area in acres

H = Reservoir thickness in feet

O = Porosity

Sh = Hydrocarbon saturation(1.0-Sw)

Rf = Recovery factor

BOI = Oil volume factor or reservoir barrels per stock tank barrels

BOI = 1.05 +x(got/100)

Therefore:

Using 8% porosity as a log baseline, your log shows roughly 14 feet

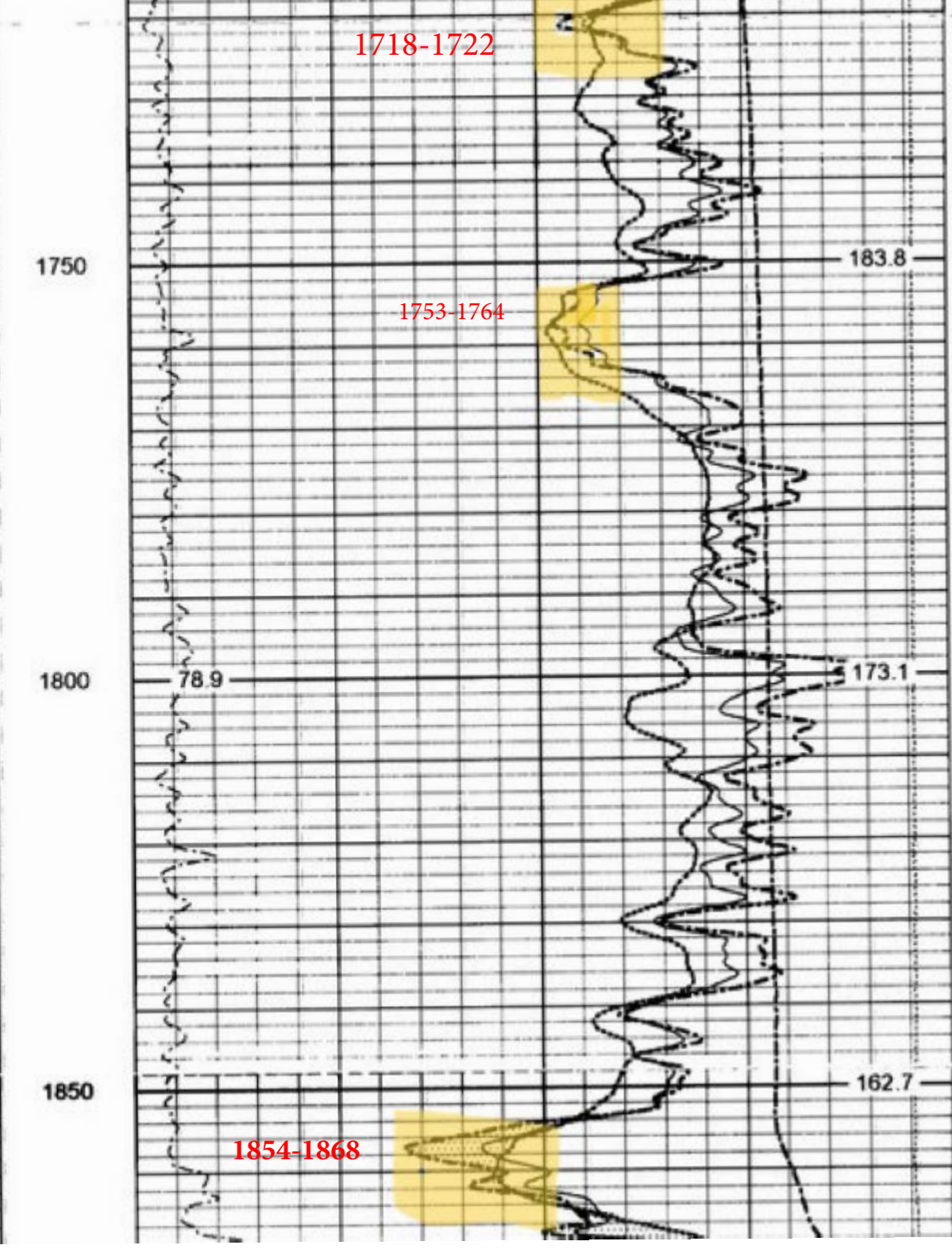
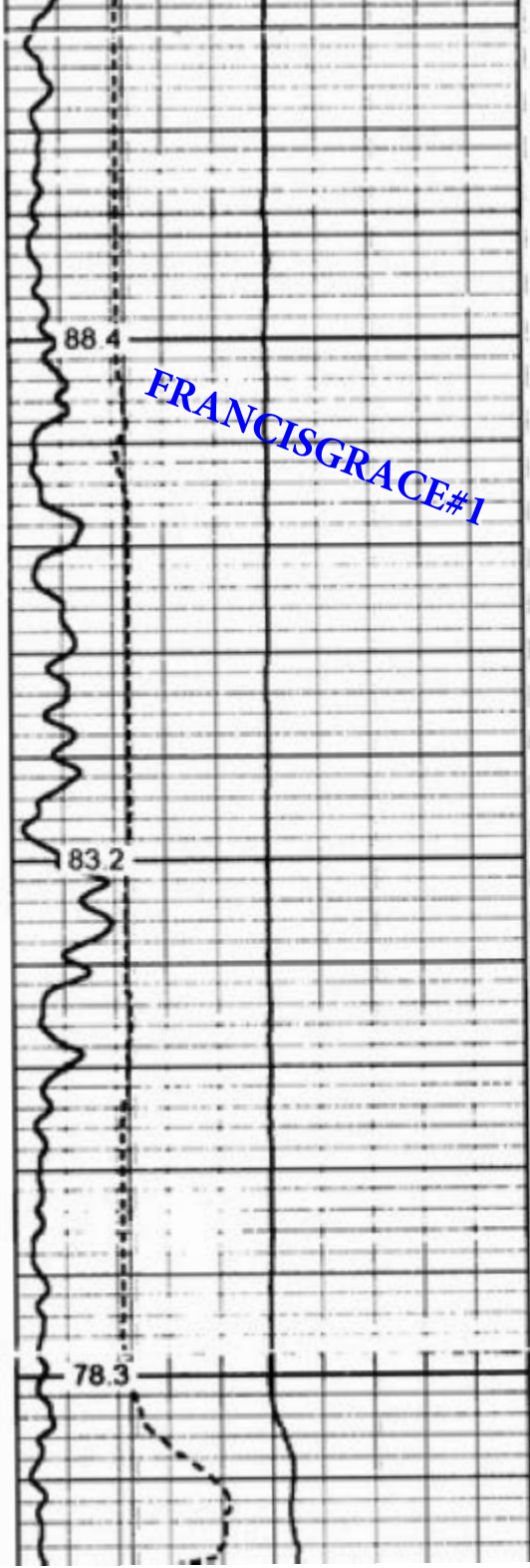
Nr = 7758x15x14'x0.010x0.060x0.15%1.04 = 28500 bbl

Optimal 28500 Plus Barrels x \$65/Bbl \$1,852,500

Probable = 20000 Bbl=\$1,300,000.00

These figures reflex industry norms and a successful treatment.

Respectfully,
Tom Sauer

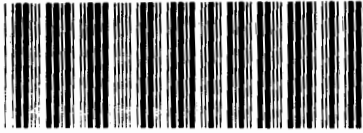


GAS WELL LOCATION MAP

137724

P# 105427

Kentucky Geological Survey



CARY BRIDGE ROAD
GRAVEL ROAD
567

SURFACE OWNER:
HUNTER LIVING REVOCABLE TRUST
D.B. 619, P. 392
MINERAL OWNERS:
BILLY & WILMA HUNTER 50%
CARL WELLS 50%
OIL & GAS LESSEE:
K & D ENERGY
OIL & GAS ASSIGNEE:
KY USA ENERGY, INC.

HUNTER - WELLS # 2
PERMIT # 103883

STATE PLANE (NAD 83)

SURFACE OWNER:
HUNTER LIVING REVOCABLE TRUST
D.B. 619, P. 392
MINERAL OWNERS:
BILLY & WILMA HUNTER 50%
CARL WELLS 50%
OIL & GAS LESSEE:
K & D ENERGY
OIL & GAS ASSIGNEE:
KY USA ENERGY, INC.

SURFACE & MINERAL OWNERS:
LARRY GRACE
RANDELL FRANCIS
D.B. 487, P. 725
OIL & GAS LESSEE:
K & D ENERGY
OIL & GAS ASSIGNEE:
KY USA ENERGY, INC.

FRANCIS - GRACE # 1
PERMIT # 103763

COAL CREEK ROAD
CARY BRIDGE ROAD
JOHNSON LANE
642
COAL CREEK ROAD

SURFACE OWNER:
BENJAMIN REAVES, ET AL
D.B. 465, P. 414
MINERAL OWNER:
LULA BONE, ET AL
OIL & GAS LESSEE:
JOHN VOGLER
OIL & GAS FARMOR:
VOGLER
OIL & GAS FARMEE:
DAUGHERTY
PETROLEUM, INC.

SURFACE & MINERAL OWNERS:
LARRY GRACE
RANDELL FRANCIS
D.B. 487, P. 725
OIL & GAS LESSEE:
K & D ENERGY
OIL & GAS ASSIGNEE:
KY USA ENERGY, INC.

SURFACE & MINERAL OWNER:
RANDEL A. JONES
D.B. 531, P. 664
OIL & GAS LESSEE:
DAUGHERTY
PETROLEUM, INC.

*New Albany
3000'
gas
NO, 7418*

Note: This is a revised plat of Permit # 103763.

- LEGEND
- - proposed well site
 - - oil well
 - ☆ - gas well
 - - injection well
 - ◇ - plugged well
 - - abandoned well, not plugged
 - ★ - owner surface & minerals

COMPANY: KY USA ENERGY, INC. ADDRESS: P.O. BOX 3008 LONDON, KY 40743

FARM: FRANCIS - GRACE WELL NO: 1 ELEVATION: 601.65 MSL

COUNTY: CHRISTIAN STATE: KY QUADRANGLE: HALEYS MILL

LATITUDE: 37° 04' 20.200" N (NAD 83) LONGITUDE: 87° 17' 19.027" W (NAD 83)

CARTER COOR. 3 - G - 27 F.S.L. 2027 F.E.L. 1542

DATE: 02-12-08 SCALE: 1" = 400' DRW. NO: A-15A-08

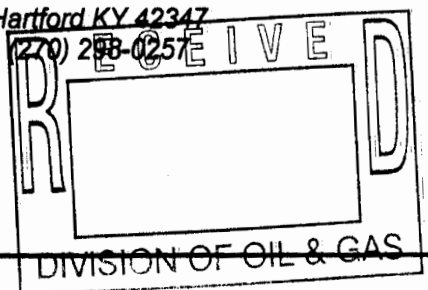
REVISED: 11-17-08

BIGGERSTAFF, WARD & ASSOCIATES, PLLC
125 East Center Street
PO Box 191
Hartford KY 42347
(270) 298-0257

I hereby certify that the above plat is accurate and correct and satisfies the requirements of 805 KAR 1:030 to the best of my knowledge and belief.

Karen L. Biggerstaff
KAREN L. BIGGERSTAFF, PLS #3626

11-17-08
Date



PROOF OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/17/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Cole & Durham 1075 N. Main St. Madisonville KY 42431	CONTACT NAME: Fawne Metheny PHONE (A/C, No. Ext.): (270) 821-0527 FAX (A/C, No.): (270) 245-5028 E-MAIL ADDRESS: fmetheny@ewtoninsurance.com														
INSURED Endeavor Resources, LLC 8525 State Route 70 W Somerset KY 42325	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> <tr> <td>INSURER A: Risk Placement Services, Inc.</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Risk Placement Services, Inc.		INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES **CERTIFICATE NUMBER:** 24-25 Master **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE	TYPE OF INSURANCE	ADDITIONAL SUBRS (INS, W/O)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR (GENERAL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROTECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER		0100207040-0	04/24/2024	04/24/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea-occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ Excluded GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPOUND \$ 2,000,000 Underground \$ 250,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY					DAMAGE-PROPEBETH (Ea-accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE (Ea) <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A				PER STATE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER Endeavor Resources LLC OFFICE COPY ONLY 8525 State Route 70 W Somerset KY 42325	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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ACORD 25 (2016/03)

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WHAT IS HYDRAULIC FRACKING

Hydraulic fracturing, also known as fracking, is a method used to extract natural gas and oil from deep underground rock formations. Here are the basic steps involved in the hydraulic fracturing process:

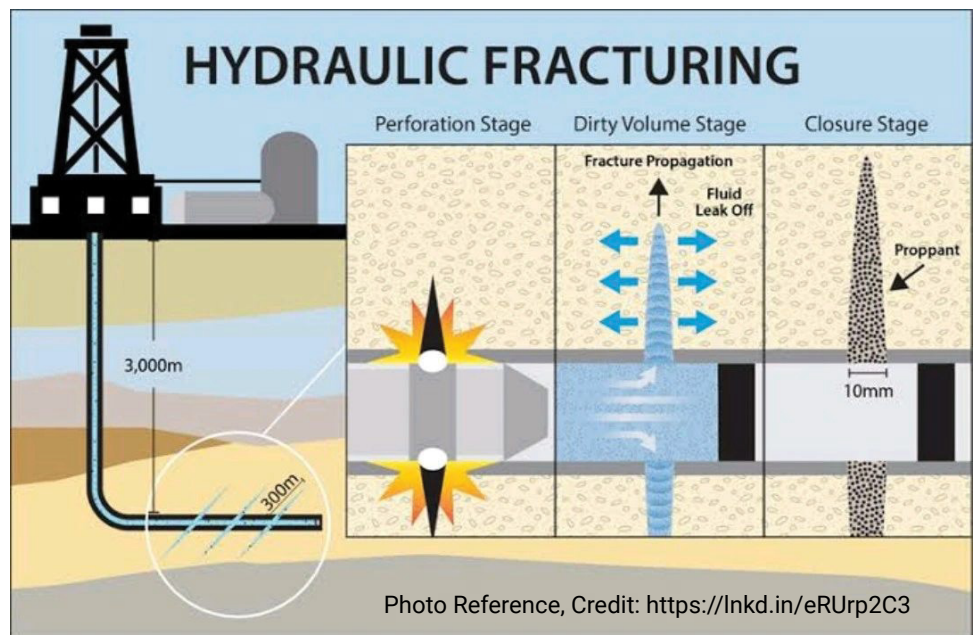
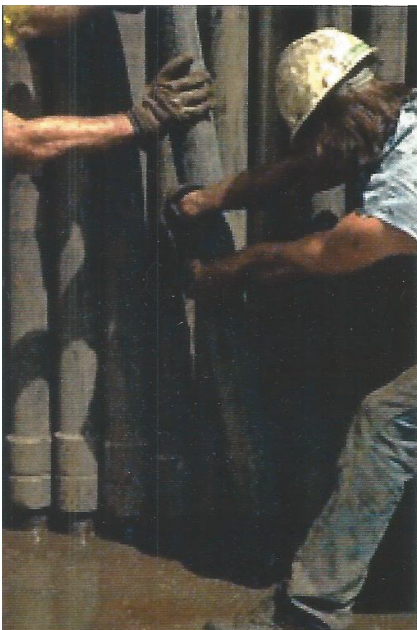
2. PERFORATION: Once the well is drilled, perforating guns are used to create small holes in the wellbore casing and through the surrounding cement into the target rock formation. These perforations are necessary to allow the fluid to enter the formation during the fracturing process.

3. FRACTURING FLUID INJECTION: A mixture of water, sand, and chemicals, called fracturing fluid, is pumped into the well at high pressure. The water, usually mixed with proppants like sand, acts as the main carrier while the chemicals help reduce friction, control bacteria, and prevent scaling or corrosion.

4. HYDRAULIC FRACTURING: The high-pressure injection of fracturing fluid creates fractures in the rock. These fractures allow the natural gas or oil trapped inside the rock to flow more freely to the wellbore and eventually to the surface. The fracturing fluid opens up the fractures, while the proppants (sand) keep them open, allowing the gas or oil to escape.

5. FLOWBACK AND PRODUCTION: After the hydraulic fracturing process is complete, most of the fracturing fluid is recovered and flowback occurs. Flowback refers to the fluid (a mixture of fracturing fluid, natural gas, oil, and water) that returns to the surface for collection and disposal. Once flowback subsides, the natural gas or oil production begins.

It is worth noting that hydraulic fracturing techniques can vary depending on the particular geology of the site, as well as the specific requirements of the well operator. Additionally, strict regulations and environmental measures are in place to ensure the safe and responsible use of hydraulic fracturing techniques.



ENDEAVOR RESOURCES, LLC.

📍 8525 STATE RT. 70 WEST, BREMEN, KY 42325 📞 270-543-5528

ESTIMATE OF COST AND AUTHORIZATION FOR EXPENDITURE

Prospect Name: Warsaw	Field: Francis Grace #1	Lease: Francis Grace #1	Date: <input style="width: 100%; height: 20px;" type="text"/>
County: Christian	State: Kentucky	Primary Objective: Salem-Warsaw	

WARSAW SLICKWATER FRAC

CLASSIFICATION OF EXPENSE	SIZE	COMPLETION	TOTAL
INTANGIBLES			
Legal, Permits, Surveys & Leasehold		\$12,500.00	\$12,500.00
Location work & (Damages upon Restoration)		\$12,500.00	\$12,500.00
Insurance		\$3,500.00	\$3,500.00
Geological Services		\$5,000.00	\$5,000.00
Frac Tank Rental & Transportation		\$12,500.00	\$12,500.00
Completion Unit (Swabbing & Completion Work)	\$200 per hr 150	\$30,000.00	\$30,000.00
Perforating & Case Hole Logging	1	\$24,225.00	\$24,225.00
Stimulation - Slick Water Frac and Acid Job		\$115,000.00	\$115,000.00
Miscellaneous Intangibles		\$25,000.00	\$25,000.00
Administrative Overhead	Cost plus 15%	\$34,909.00	
Geological Prospect Fee			\$60,000.00
TOTAL INTANGIBLES			\$327,634.00

CLASSIFICATION OF EXPENSE	SIZE	PRICE / FT	FEET	COMPLETION	TOTAL
TANGIBLES					
Tubing	2"	\$8.00	11800	\$14,400.00	\$14,400.00
Packers - Plugs			5	\$4,400.00	\$4,400.00
Pumping Unit & Engine			1	\$15,000.00	\$15,000.00
Sucker Rods		\$3.00	1800	\$6,400.00	\$6,400.00
Downhole Pump	1	\$3,500.00		\$3,500.00	\$3,500.00
2100 bls Tanks and Water Separator	1			\$20,000.00	\$20,000.00
Miscellaneous Tangibles				\$12,500.00	\$12,500.00

TOTAL TANGIBLES	\$73,700.00
TOTAL INTANGIBLES & TANGIBLES	\$400,000.00
TOTAL COMPLETED WELL COSTS	\$400,000.00

Investor

Investor Name: Number of Units Buying:

APPROVALS:

Endeavor Resources LLC



Signature

Date:

Danny Thomasson

Member

Name:

Date:

AVERAGE PRICE OF CRUDE OIL IN 2022 WAS \$94.78 A BARREL

ADDITIONAL INFORMATION

ENDEAVOR RESOURCES, LLC

BALANCE SHEET

11/08/2024

ASSETS

CURRENT ASSETS

Cash	\$100.00
Accounts Receivable	\$0.00
Inventory	\$0.00
Prepaid Expenses	\$0.00
Notes Receivable	\$0.00
Other Current Assets	\$0.00
TOTAL CURRENT ASSETS	\$100.00

FIXED ASSETS

Long-Term Investments	\$0.00
Land	\$0.00
Building	\$0.00
Accumulated Building Depreciation	(\$0.00)
Machinery and Equipment	\$0.00
Accumulated Machinery and Equipment Depreciation	(\$0.00)
Furniture and Fixtures	\$0.00
Accumulated Furniture and Fixtures Depreciation	(\$0.00)
Other Fixed Assets	\$0.00
NET FIXED ASSETS	\$0.00

OTHER ASSETS

Goodwill	\$0.00
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TOTAL ASSETS

\$100.00

LIABILITIES & EQUITY

CURRENT LIABILITIES

Accounts Payable (A/P)	\$0.00
Accrued Wages	\$0.00
Accrued Payroll Taxes	\$0.00
Accrued Employee Benefits	\$0.00
Interest Payable	\$0.00
Short-Term Notes	\$0.00
Current Portion of Long-Term Debt	\$0.00
TOTAL CURRENT LIABILITIES	\$0.00

LONG-TERM LIABILITY

Mortgage	\$0.00
Other Long-Term Liabilities	\$0.00
TOTAL LONG-TERM LIABILITIES	\$0.00

OWNER'S EQUITY

Paid-in Capital	\$100.00
Net Income	\$0.00
TOTAL EQUITY	\$100.00

TOTAL LIABILITIES & EQUITY	\$100.00
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Please make sure that Total Assets equal Total Liabilities and Equity in your balance sheet. If the difference the two sides of the balance sheet is greater than 0, please review the values entered.

TOTAL ASSETS	\$100.00
TOTAL LIABILITIES & EQUITY	\$100.00
	\$00.00



ENDEAVOR RESOURCES, LLC.

📍 8525 STATE RT. 70 WEST, BREMEN, KY 42325

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PHONE: 📞 270-543-5528

