OIL RESERVE ESTIMATE

for the

BATEMAN FIELD PROSPECT

the Nauert, Voigt, Seidel Leases

349 contiguous acres, 29 wells located in the

BATEMAN OIL FIELD

in

Bastrop County, Texas

prepared by

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RESERVE ESTIMATE OF THE BATEMAN WORKOVER AND DEVELOPMENT PROJECT

Voigt, Seidel, and Nauert leases
in the Bateman Field in Bastrop County, Texas

12/15/2019

The 29 Wells that are subject to this report which are located on the three leases (Nauert, Voigt, and Seidel) have made over 275,000 barrels to date and possibly more than 300,000 barrels. Production records are difficult to separately assess, because the leases were at one time unitized with other leases and wells in the field and production was reported as if the "pooled unit" were "one lease". Production revenues were shared by all landowners whether the wells on their own property were productive or not. This was not popular and, the other leases were less desirable than these three and carried plugging liabilities. So, though taking nearly a year, this unitization has been remedied, the leases now are broken away from the pooled unit and can be produced independent of the other wells in the field.

This study is not based on specific well by well reserve analysis but by evaluation of production records, recent well tests and bottom hole pressures taken by the Operator, a knowledge of the formation from logs, cores and other well records and experience in the drilling or completion of the wells in this field and the general area. The Production Records used are attached in graph form upon which this statement is based.

The Bateman Austin Chalk Unit included some wells not on these three leases and thus show 38, versus the 29 located upon these two leases. Of note, oil production is reported to the Texas RRC by lease and not by well. Based on this and what we know about the history of the field and the previous operators, we can be sure that not all of these wells were productive the entire time being studied. However, there are some things we can be fairly certain about. For example, the majority of the Nauert production was produced when it was part of the Bateman Austin Chalk Unit and thus does not have production shown separately as the other two leases do. Prior to becoming part of the Bateman Austin Chalk Unit, the 11 wells on the Voigt and Seidel tracts show to have made 166,548 barrels of oil (see production charts of each – which added together make this figure – Exhibit "A" and 'B"), thus averaging over 15,000 barrels of oil per well prior to becoming part of the Bateman Austin Chalk Unit (Exhibit "C"). It is difficult to estimate how much oil was made on these leases after becoming part of the larger unitized lease (Bateman Austin Chalk Unit). However, it is safe to assume that a considerable additional amount of oil was produced from these leases based on the jump in production in 1994 when these leases were added to the unit and as can be seen by looking at the Bateman Austin Chalk's production chart (See Bateman Austin Chalk Unit production chart).

Because reservoir pressures in these wells are still 40 -75% of what they were originally, these zones that are presently being produced could still make an additional 10,000 – 15,000 barrels of oil per well or an additional 200,000 – 300,000 barrels of oil for all three leases from primary production from the zone which is currently open.

In further analyzing these wells, there are many zones in nearly all of the wells that, to date, have not been produced. These zones are proven to be productive in other wells in the field and simply need to be perforated and stimulated to be productive. These zones could easily add an additional 10,000 – 15,000 barrels of oil per well, thus, jumping production on these three leases an additional 200,000 – 300,000

barrels of recoverable oil bringing the estimated producible reserves to the 400,000 to 600,000 bbl range which should be able to be recovered.

Utilizing water flood technology in the field and good reservoir management, as is planned by the current operator, could add another 60% to 75% to these reserves, particularly utilizing he proprietary technology that they have available to them which has been tested and proven to aide and increase production. This was attempted briefly by previous operators between 2001 and 2004, and despite the lack of field management was reasonably successful in increasing production of the field. Including these additional reserves as a result of the planned Enhanced Primary and Secondary Recovery project This action brings the estimated recoverable reserves into a range of 700,000 to 1,200,000 bbls.

Finally, zones that look potentially productive from the evaluation of the logs and well records are not proven in the immediate area, but have produced in field several miles to the south, along this fault trend or in the county include the Edwards Lime, Buda Lime, Pecan Gap and the Navarro Sands. Considerable additional reserves could be added if any of these zones prove to be productive.

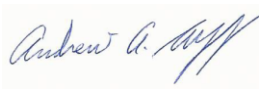
In Summary, the Nauert, Voigt, and Seidel leases offer an opportunity to obtain substantial proven oil reserves with relatively low risk. The leases could yield an additional 700,000 – 900,000 barrels of oil from zones that either are already producing or have proven to be productive in the area. In addition, production might be obtained from zones that show promise but, yet, have not been proven.

It is important to note that any reserve estimated is speculative, is not an exact science and does not represent a promise or any warranty of the estimated reserves that are capable of being produced. The data provided by the logging companies, operators, the Texas RRC, etc. upon which I make this evaluation are assumed to be reasonably correct, but the author does not warrant the accuracy of their reports.

The amount of oil that can be produced will be greater or less than projected in this report. Another, more thorough evaluation can and should be done on a "well by well basis" as wells are tested and after more development has occurred, particularly after testing zones which are productive in the field but have not been perforated or produced in the wells at this time. And this would be especially valuable to have after testing the Navarro or Pecan Gap, which have been very prolific in this fault trend, the fields to the south or in the area but not on these leases.

Finally, reserves can be produced but the production rates and recoverability factor are subject to a well thought out development plan being carried out by qualified professionals which is well financed. No oil project can be successful and recover the anticipated reserves without these factors. In my opinion, the Development Plan is solid and developed based on reasonably accurate information by seasoned professionals who can carry out the task, but ultimate recovery will also rely heavily on funding or the developing of the project through to the point where the oil production can support further development of the field.

Sincerely,



Andrew Alff

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Production Hub Pages

drillinginfo

Field	Operator	Location
BATEMAN (AUSTIN CHALK)	A.C.T. OPERATING COMPANY	District: 1; Bastrop County, Texas
Lease Name	**Oil Lease Number**	**Cumulative (since 1983)**
VOIGHT, WYVONNE	9048	119,261 BO; 66 MMCF

Wells

42-021-30371(210) 42-021-30461(201) 42-021-30478(203) 42-021-30479(202)
42-021-30574(204) 42-021-30579(206) 42-021-30884(207) 42-021-30885(208)
42-021-30886(209)

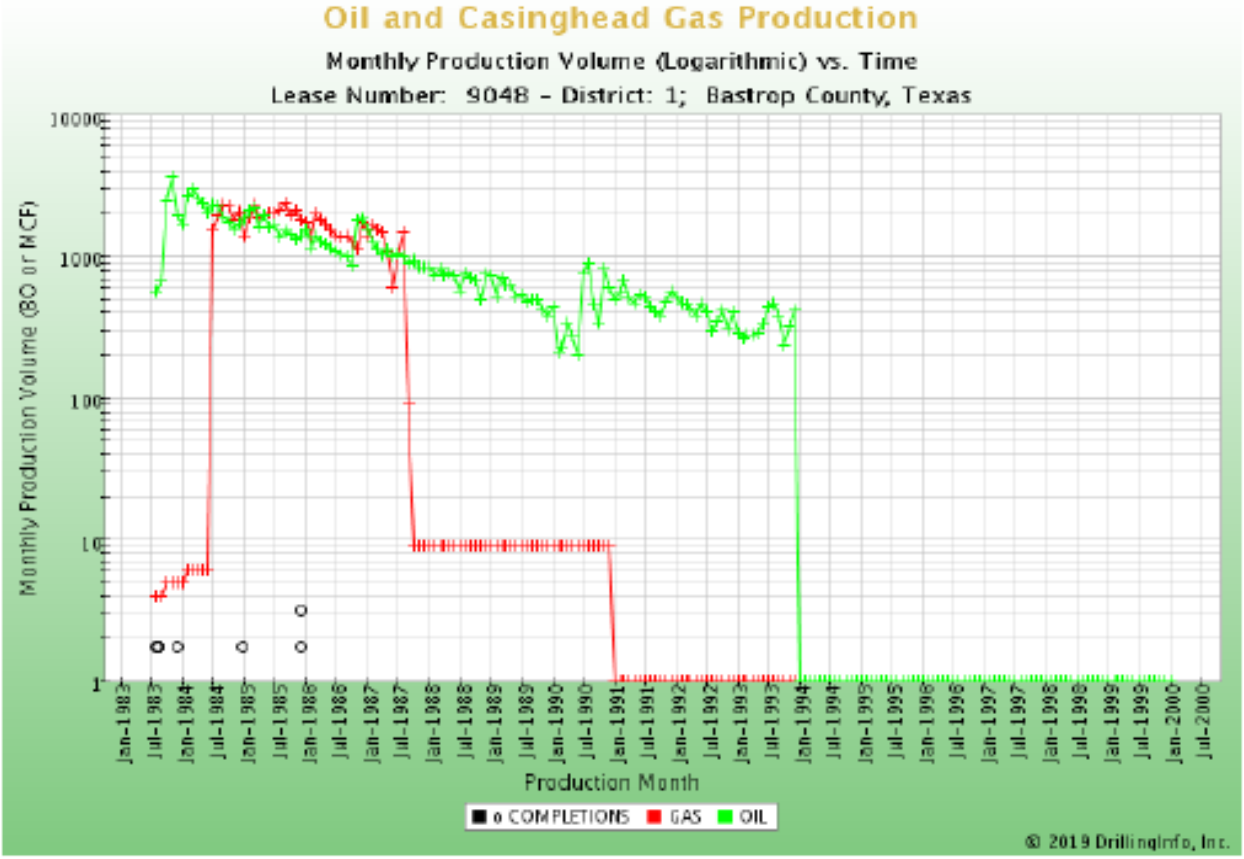

EXHIBIT "A" VOIGHT LEASE PRODUCTION : Note the production reports for this lease ceased in 1994 when the production was added to the Bateman Austin Chalk Field.

Production Hub Pages

drillinginfo

Field	Operator	Location
BATEMAN (AUSTIN CHALK)	A.C.T. OPERATING COMPANY	District: 1; Bastrop County, Texas
Lease Name	**Oil Lease Number**	**Cumulative (since 1983)**
SEIDEL	9280	47,287 BO; 22 MMCF
Wells		
42-021-30587(405) 42-021-30591(401)		

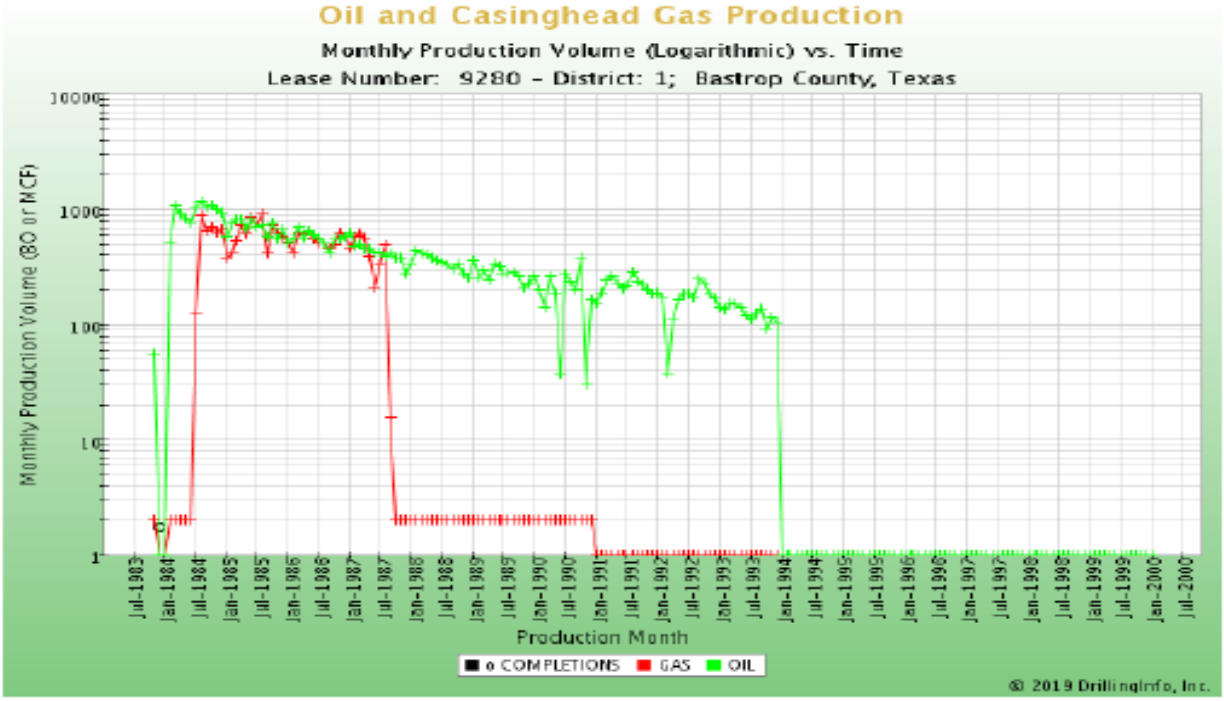

EXHIBIT "B" SEIDEL LEASE PRODUCTION : Note the production reports for this lease ceased in 1994 when the production was added to the Bateman Austin Chalk Field.

Production Hub Pages

drillinginfo

Field	Operator	Location
BATEMAN (AUSTIN CHALK)	MAGNUM OILFIELD SERVICES LLC	District: 1; Bastrop County, Texas
Lease Name	**Oil Lease Number**	**Cumulative (since 1982)**
BATEMAN (AUSTIN CHALK) UNIT	8490	274,396 BO; 69 MMCF

Wells

42-021-30371(210) 42-021-30427(101) 42-021-30461(201) 42-021-30463(102)
42-021-30475(103) 42-021-30476(104) 42-021-30477(105) 42-021-30478(203)
42-021-30479(202) 42-021-30479(202) 42-021-30522(106) 42-021-30523(107)
42-021-30524(108) 42-021-30542(111) 42-021-30543(110) 42-021-30545(109)
42-021-30566(112) 42-021-30574(204) 42-021-30579(206) 42-021-30585(703)
42-021-30587(405) 42-021-30591(401) 42-021-30603(602) 42-021-30604(603)
42-021-30605(604) 42-021-30647(301) 42-021-30829(502) 42-021-30830(503)
42-021-30884(207) 42-021-30885(208) 42-021-30886(209) 42-021-31488(205)
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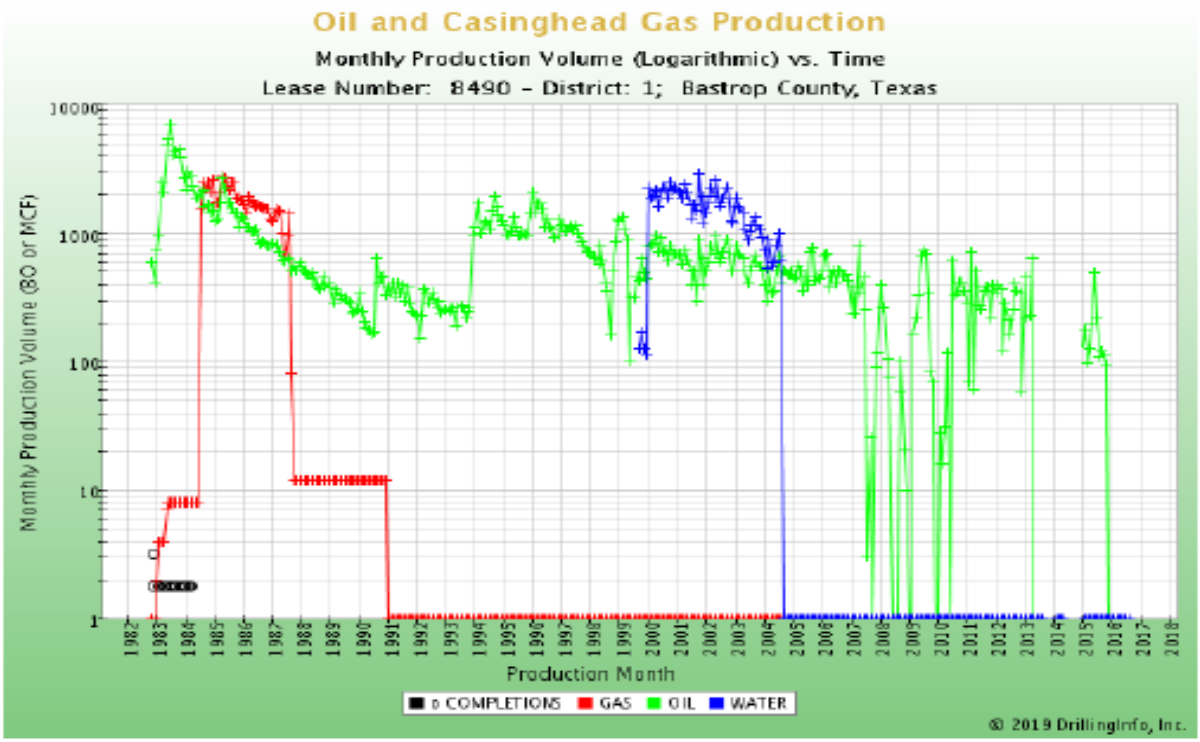

<u>EXHIBIT "C" BATEMENT AUSTIN CHALK FIELD – UNITIZED LEASES</u>: Note the production increased for this Unit when production from the Voight and the Seidel Leases were added to it, in 1994. Also note that the decline was stopped in 2000 and an incline was started when a water flood was initiated which likely affected 8 to 10 of the wells in the Unit on the Voight and the Nauert leases.