BAKKEN WATER TRANSFER SERVICES, INC.

Condensed Balance Sheet (Unaudited)

	September 30, 2016	June 30, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 22,091	$ 10,498
Prepaid expenses	172,000	10,000
Other assets	35,405	230
TOTAL ASSETS	$ 229,496	$ 20,728
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Account Payable	$ 23,300	$ 4,200
Accrued liabilities	$ 293,504	$ 103,356
TOTAL LIABILITIES	$ 316,804	$ 107,556
STOCKHOLDERS' EQUITY		
Preferred stock, Series A, $0.0001 par value: 25,000,000 shares authorized; 2,000,000 shares issued and outstanding at September 30, 2016; 2,000,000 shares issued and outstanding at December 31, 2015;	200	200
Common stock, $0.0001 par value: 1,000,000,000 shares authorized; 342,836,257 shares issued and outstanding at September 30, 2016; 342,836,257 shares issued and outstanding at December 31, 2015;	34,284	34,284
Common stock subscribed	10,000	10,000
Paid-in capital	2,451,578	2,451,578
Retained Earnings	(2,583,369)	(2,582,890)
TOTAL STOCKHOLDERS' EQUITY	(87,307)	(86,828)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 229,496	$ 20,728

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

BAKKEN WATER TRANSFER SERVICES, INC.

Condensed Statements of Operations (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
REVENUE				
Sales	$ 193,153	$ —	$ 193,153	$ —
Interest Income	175	$ —	$ 175	$ —
Total revenue	193,328	—	193,328	—
OPERATING EXPENSES				
Cost of sales	117,692	—	117,742	—
Salaries and employee benefits	—	800	4,200	800
Professional fees	70,168	49,866	124,543	69,866
Rent	585	390	1,560	585
General and administrative	4,182	8,978	5,055	9,712
Interest Expense	1,180	—	2,292	—
Total operating expenses	193,807	60,034	255,392	80,963
Operating loss	(479)	(60,034)	(62,064)	(80,963)
Loss before income taxes	(479)	(60,034)	(62,064)	(80,963)
Provision for income taxes	—	—	—	—
NET LOSS	$ (479)	$ (60,034)	$ (62,064)	$ (80,963)
Weighted average shares outstanding	342,836,257	130,252,924	342,836,257	241,692,789
Basic and diluted per share amounts:				
Net income	$ (0.0000)	$ (0.0005)	$ (0.0002)	$ (0.0003)

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

Condensed Statements of Cash Flows (Unaudited)

		Nine Months Ended September 30, 2016
Cash flows from operating activities:		
Net loss from continuing operations	$	(62,064)
Adjustments to reconcile net (loss) income to net cash from operating activities:		
Issuance of warrants		—
Changes in operating assets and liabilities:		
Other current assets		(152,175)
Accrued liabilities		225,310
Net cash used in operating activities		11,071
Cash flows from financing activities:		
Proceeds from issuance of common stock		—
Net cash from financing activities		—
Net increase in cash and cash equivalents		11,071
Cash and cash equivalents at beginning of period		11,021
Cash and cash equivalents at end of period	$	22,092

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

BAKKEN WATER TRANSFER SERVICES, INC.

Condensed Statement of Stockholders' Equity (Deficit) (Unaudited)

	Preferred Stock		Common Stock		Common Stock Subscribed		Additional Paid	Accumulated	Total Stockholders'
	Shares	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**in Capital**	**Deficit**	**Equity (Deficit)**
Balances, December 31, 2015	2,000,000	$ 200	342,836,257	$ 34,284	30,000,000	$ 10,000	$ 2,451,578	$ (2,521,305)	$ (25,243)
									-
Net loss								$ (62,064)	$ (62,064)
Balances, September 30, 2016	2,000,000	$ 200	342,836,257	$ 34,284	30,000,000	$ 10,000	$ 2,451,578	$ (2,583,369)	$ (87,307)

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

Note 1. General

Nature of Business

The Company is in the oil field services industry with operations currently in the Bakken Shale region of North Dakota. The Company operates in the oilfield services business which currently includes water sales and transportation.

Bakken Water Transfer Services, Inc. ("Bakken Water") was formed on May 23, 2000 in the State of Nevada as CCC Globalcom Corporation. On June 12, 2000, the Company became the surviving corporation in a merger with Emerald Capital Investments, Inc., a Delaware corporation. On June 30, 2015, the Company changed its name to Bakken Water Transfer Service, Inc.

Recent Developments

During the year ending December 31, 2014, the Company had no operations, assets or liabilities.

From June 2015 through July 2016, the Company entered into fourteen separate License Agreement and Easement Option agreements with third party landowners which, subject to certain conditions, give the Company the exclusive right to extract and pump surface water from the land owner's property for a duration ranging from 2 to 3 years.

On May 19, 2015, pursuant to a Reorganization and Stock Purchase Agreement, the then-majority shareholders, Jeremy W. Castonguay and Andrew Wyatt sold 238,669,006 shares of the Company's common stock, representing 80% of the then-issued voting securities, to Jack Galvin and Mark Childs.

On June 30, 2015, the Company filed a Certificate of Amendment to change its name to Bakken Water Transfer Services, Inc.

On June 30, 2015, the Company filed a Certificate of Amendment to reduce the authorized shares of common stock to 1,000,000,000, to be authorized to issue up to 25,000,000 shares of preferred stock, to change the par value of the Company's common stock to $0.0001, and to change the par value of the Company's preferred stock to $0.0001.

Principal Services

The Company's principal services are the sales of water and other fluids to the oilfield, energy and extractive industries located in North Dakota.

Note 2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The Accompanying unaudited condensed financial statements include the accounts of the Company and its majority-owned subsidiary and have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America.

Reclassifications

Certain prior year amounts in the accompanying financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the results of operations or financial position for any years presented.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on knowledge of current events and anticipated future events and accordingly, actual results may differ from those estimates.

Risks related to cash

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash equivalents

The Company considers only highly liquid investments such as money market funds and commercial paper with maturities of 90 days or less at the date of their acquisition as cash and cash equivalents.

Fair Value of Financial Instruments

The accounting standards regarding disclosures about fair value of financial instruments defines financial instruments and required fair value disclosure of those instruments. This accounting standard defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. Receivables, investments, payables, short and long term debt and warrant liabilities qualified as financial instruments. Management believes the carrying amounts of receivables, payables and debt are a reasonable estimate of fair value because of the short period of time between the origination of such instruments, their expected realization, and if applicable, their stated interest rate is equivalent to interest rates currently available. The three levels are defined as follows:

Level 1 Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value.

The Company analyzes all financial instruments with features of both liabilities and equity under the accounting standards regarding accounting for certain financial instruments with characteristics of both liabilities and equity, accounting for derivative instruments and hedging activities, accounting for derivative financial instruments indexed to, and potentially settled in, a Company's own stock, and the accounting standard regarding determining whether an instrument (or embedded feature) is indexed to an entity's own stock. The accounting standard specifies that a contract that would otherwise meet the definition of a derivative but is both (a) indexed to the Company's own stock and (b) classified in stockholders' equity in the statement of financial position would not be considered a derivative financial instrument. This standard provides a two-step model to be applied in determining whether a financial instrument or an embedded feature is indexed to an issuer's own stock and thus able to qualify for this accounting standard scope exception. All warrants issued by the Company are denominated in U.S. dollars.

Accounts Receivable

Accounts receivable are recorded at the invoice amount and do not bear interest.

Allowance for Doubtful Accounts

Allowance for doubtful accounts is defined as a company's estimate of the amount of probable credit losses in the company's existing accounts receivable. The Company does not maintain an allowance for doubtful accounts based upon management's review of the Company's revenue structure whereby substantially all receivables are confirmed before they are booked as revenue. The Company reviews its allowance for doubtful accounts policy periodically. The Company does not have any off-balance-sheet exposure related to its customers.

Income Taxes

The Company follows Accounting for Income Taxes which requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between the income tax basis and financial reporting basis of assets and liabilities. Provision for income taxes consists of taxes currently due plus deferred taxes.

The charge for taxation is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is accounted for using the balance sheet liability method in respect to temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of assessable tax profit. In principle, deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recorded in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Uncertain tax positions

The Company recognizes uncertain tax positions based on a benefit recognition model. Provided that the tax position is deemed more likely than not of being sustained, the Company recognizes the largest amount of tax benefit that is greater than 50% likely of being ultimately realized upon settlement. The tax position is derecognized when it is no longer more likely than not of being sustained. The Company classifies income tax-related interest and penalties as interest expense and SGA expense, respectively, on the Statement of Operations.

Recent Accounting Pronouncements

In June, 2014, the FASB issued Accounting Standards Update No. 2014-12, Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The amendments in the ASU require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. And reporting entity should apply existing guidance and topic 718, Compensation – Stock Compensation, as it relates to awards with performance conditions that affect vesting to account for such awards. The performance target should not be reflected in estimating the grant – date fair value of the award. Compensation cost should be recognized in the period in which it became probable that the performance target will be achieved and should represent the compensation cost of attributable to that period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after their requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. The amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. Entities may apply the amendments in this ASU either: (a) prospectively to all awards granted or modified after the effective date; or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this ASU as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance after that date. In addition, if retrospective transition is adopted, and entity and may use hindsight in measuring and recognizing the compensation cost. The Company is currently assessing the impact this standard will have on its financial statements and required disclosures.

In November 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-16, Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity. The amendments in this ASU do not change the current criteria in U. S. GAAP for determining when separation of certain embedded derivative features in a hybrid financial instrument is required. The amendments clarify how current U. S. GAAP should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. Specifically, the amendments clarify that an entity should consider all relevant terms and features, including the embedded derivative feature being evaluated for bifurcation, in evaluating the nature of the host contract. Furthermore, the amendments clarify that no single term or feature would necessarily determine the economic characteristics and risk of the host contract. Rather, the nature of the host contract depends upon the economic characteristics and risks of the entire hybrid financial instrument. The amendments in this ASU also clarify that, in evaluating the nature of a host contract, and entity should assess the substance of the relevant terms and features (i.e., the relative strength of a debt-like or equity-like terms and features given the facts and circumstances) when considering how to weigh those terms and features. Specifically, the assessment of the substance of the relevant terms and features should incorporate a consideration of: (1) the characteristics of the terms and features themselves (for example, continent versus non-contingent, in-the-money versus out-of-the-money); (2) the circumstances under which the hybrid financial instrument was issued or acquired (e.g., issuer-specific characteristics, such as whether the issuer is thinly capitalized or profitable and well-capitalized); and (3) the potential outcomes of the hybrid financial instrument (e.g., the instrument may be settled by the issuer issuing a fixed number of shares, the instrument may be settled by the issuer transferring a specified amount of cash, or the instrument may remain legal-form equity), as well as the likelihood of those potential outcomes. The amendments in this ASU apply to all entities that are issuers of, or investors in, highbred financial instruments that are issued in the form of a share. The amendments in this ASU are effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For all other entities, the amendments in this ASU are effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption, including adoption in an interim period, is permitted. If an entity early adopts the amendments and an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The effects of initially adopting the amendments in this ASU should be applied on a modified retrospective basis to existing hybrid financial instruments issued in the form of a share as of the beginning of the fiscal year for which the amendments are effective. Retrospective application is permitted to all relevant prior periods. The Company is currently assessing the impact the standard will have on its financial statements and required disclosures.

In April 2015, the FASB issued Accounting Standard Update (ASU) No. 2015-03, Interest – Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The amendments in this ASU requires that a debt issuance cost related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this ASU. For public business entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Early adoption of the amendments is permitted for financial statements that have not been previously issued. The amendments should be applied on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period–specific efforts of applying the new guidance. Upon transition, an entity is required to comply with the applicable disclosures for a change in an accounting principle. These disclosures include the nature of and the reason for the change in accounting principle, the transition method, a description of the prior-period information that has been retrospectively adjusted, and the effect of the change on the financial statement line items (i.e., debt issuance cost asset and the debt liability). The Company is currently assessing the impact the standard will have on its financial statements and required disclosures.

In April 2014, the Financial Accounting Standards Board issued Accounting Standard Update (ASU) No. 2014-08 Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. ASU No. 2014-08 changes the requirements for reporting discontinued operations in that discontinued operation may include a component of an entity, a group of components of an entity, or a business or non-profit activity. In addition, a disposal of a component of an entity or a group of components of an entity is required to be reported and discontinued operations if the disposal represents a strategic shift that has or will have a major effect on an entity's operations and financial results when certain conditions are not met. For public company entities, ASU No. 2014-08 is effective for all disposals (or classifications as held for sale) of components of an entity that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years. Early adoption is permitted, but only for disposals (or classifications as held for sale) that have not been reported in financial statements previously issued or available for issuance. Adoption of the standard had no significant impact on the Company's financial statements.

In July 2013, the FASB issued ASU No. 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists." ASU 2013-11 provides explicit guidance on the financial statements presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The guidance is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013, with an option for early adoption. The Company adopted this guidance at the beginning of its first quarter of fiscal year 2014, and adoption of this standard has no significant impact on its financial statements and disclosures.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)("ASU 2014-09"). ASU 2014-09 amends the guidance for revenue recognition to replace numerous, industry specific requirements and converges areas under this topic with those of the International Financial Reporting Standards. The ASU implements of five–step process for customer contract revenue recognition that focuses on transfer of control, as opposed to transfer of risk and rewards. The amendment also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenues and cash flows from contracts with customers. Other major provisions include the capitalization and amortization of certain contract cost, ensuring the time value of money is considered in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendments in this ASU are effective for reporting period beginning after December 15, 2016, and early adoption is prohibited. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company is currently assessing the impact the adoption of ASU 2014-09 will have on its financial statements and disclosures.

Other Recently Issued, but Not Yet Effective Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Note 3. Equity Transactions

As of September 30, 2016, the total numbers of shares of the Company's common stock that were issued and outstanding were 342,836,257. At September 30, 2016, the Company had 2,000,000 shares of preferred stock that were issued and outstanding.

Common Stock Issuances

No Common Stock activities occurred during the first three quarters of 2016.

Note 4. Current Assets

On July 6, 2015, the Company entered into a consulting services agreement with Jack Galvin, one of the Company's officers and directors, and thus, there may exist a conflict of interest with respect to the approval of the Consulting Agreement and which potential conflict of interest, to the extent one may exist, by waived by the Directors on behalf of the Company (the "Consulting Agreement"). Pursuant to the terms of the Consulting Agreement, the Company would receive consulting services for a term of one year and is renewable for up to three additional successive one-year terms. Pursuant to the terms of the Consulting Agreement, consideration consists of a cash payment of $30,000 per year paid monthly. As of July 1, 2016, the Company renewed the Consulting Agreement with the same terms. On August 1, 2016, the Company amended the Consulting Agreement beginning July 1, 2016 in which they increased the cash payment of $30,000 per year to $72,000 per year. The Company valued the agreement at $72,000 and will be amortized on a straight-line basis over the term of the Consulting Agreement. As of September 30, 2016, the Company has recorded a prepaid expense balance of $54,000.

On July 6, 2015, The Company entered into a consulting services agreement with Mark Childs, and individual, (the "Consulting Agreement"). Pursuant to the terms of the Consulting Agreement, the Company would receive consulting services for a term of one year and is renewable for up to three additional successive one-year terms. Pursuant to the terms of the Consulting Agreement, consideration consists of a cash payment of $30,000 per year paid monthly. As of July 1, 2016, the Company renewed the Consulting Agreement with the same terms. On August 1, 2016, the Company amended the Consulting Agreement beginning July 1, 2016 in which they increased the cash payment of $30,000 per year to $72,000 per year. The Company valued the agreement at $72,000 and will be amortized on a straight-line basis over the term of the Consulting Agreement. As of September 30, 2016, the Company has recorded a prepaid expense balance of $54,000.

On July 6, 2015, The Company entered into a consulting services agreement with Michael Childs, and individual and who was formerly a member of the Company's Board of Directors and served as its Secretary (the "Consulting Agreement"). Pursuant to the terms of the Consulting Agreement, the Company would receive consulting services for a term of one year and is renewable for up to three additional successive one-year terms. Pursuant to the terms of the Consulting Agreement, consideration consists of a cash payment of $30,000 per year paid monthly. As of July 1, 2016, the Company renewed the Consulting Agreement with the same terms. On August 1, 2016, the Company amended the Consulting Agreement beginning July 1, 2016 in which they increased the cash payment of $30,000 per year to $72,000 per year. The Company valued the agreement at $72,000 and will be amortized on a straight-line basis over the term of the Consulting Agreement. As of September 30, 2016, the Company has recorded a prepaid expense balance of $54,000.

On September 15, 2016, The Company loaned $35,000 to Nationwide Properties Partners. The term of the note will be for one year and will be due September 14, 2017 for repayment. Interest shall accrue at the rate of twelve percent (12%) per annum from the date the funds were advanced. As of September 30, 2016, the Company has recorded a note receivables balance of $35,175 (in which $175 is accrued interest).

Note 5. Other Assets

At September 30, 2016, the Company had $230 in lease deposits.

Note 6. Accrued Liabilities

On September 30, 2016, the Company had $74,900 in amounts due related to consulting agreements (see Note 4. Current Assets for more information), $1,165 in amounts due to MWC Enterprises, a company controlled by Michael Childs, who was formerly a member of the Company's Board of Directors and served as a Secretary, $0 (in which $0 is in accrued interest) in amounts due to Mark Childs, and $0 (in which $0 is in accrued interest) in amounts due to Jack Galvin, one of the Company's officers and directors.

On August 30, 2016, the Company borrowed $100,000 from Dave Green. The term of the note will be for two year and will be due August 30, 2018 for repayment. Interest shall accrue at the rate of eleven percent (11%) per annum from the date the funds were advanced. As of September 30, 2016, the Company has recorded a note payable balance of $100,917 (in which $917 is accrued interest).

Note 7. Warrants

On August 21, 2015, the Company entered into a Common Stock Purchase Warrant with Clyde Snow & Sessions, PC, a Utah corporation ("Clyde Snow"), pursuant to the terms of which entities Clyde Snow to purchase from the Company 1,500,000 shares of the Company's common stock at a price of $0.0065 per-share and which price is subject to certain adjustments.

As of September 30, 2016, there were 1,500,000 common stock purchase warrants outstanding. The following table summarizes information about the common stock warrants outstanding at September 30, 2016.

Outstanding	Exercisable

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Exercise Price Average	Number Exercisable	Weighted Average Exercise Price
$0.0065	1,500,000	1.89	$0.0065	1,500,000	$0.0065

Note 8. Income Per Common Share

Income per common share is based on the weighted-average number of common shares outstanding. The Company complies with Earnings Per Share, which requires dual presentation of basic and diluted earnings per share on the face of the statements of operations. Basic per share earnings or loss exclude dilution and is computed by dividing income (loss) available to common stockholders by the weighted-average common shares outstanding for the period. Diluted per share earnings or loss reflect the potential dilution that could occur if convertible preferred stock or debentures, options and warrants were to be exercised or converted or otherwise result in the issuance of common stock that is then shared in the earnings of the entity.

Note 9. Related Party Transactions

At September 30, 2016, the Company had $1,165 in amounts due to MWC Enterprises, a company controlled by Michael Childs, who was formally a member of the Company's Board of Directors and served as it Secretary.

On July 6, 2015, the Company entered into a consulting service agreement with Mark Childs, and individual and who is related to Michael Childs, and individual and who was formerly a member of the Company's Board of Directors and served as it's Secretary. See Note 4. Current Assets for more information.

On July 6, 2015, the Company entered into a consulting service agreement with Michael Childs, an individual and who was formerly a member of the Company's Board of Directors and served as it Secretary. See Note 4. Current Assets for more information.

Note 10. Commitments and Contingencies

On June 24, 2015, the Company entered into a new lease at 315 S. Main St, Minot, North Dakota 58701. Pursuant to the terms of the lease, rent is $195 per month for

14 months. The Company has continued to lease its current office on a month to month basis with needing to submit a 30 days' notice to vacate.

Set forth below is a summary of current obligations as of September 30, 2016 comprised exclusively of the rental lease obligation to make future payments due by the period indicated below:

Minot Office	Minimum Payments	Monthly Base Rent
2016	$585	$195

Note 11. Subsequent Events

The Company evaluated its September 30, 2016 financial statements for subsequent events through November 13, 2016, the date the financial statements was available to be issued.

Currently, the Company has ten current water permits issued ranging from 775,000(bbls) to 6 million (bbls).