PARADISE RIDGE HYDROCARBONS, INC.
DISCLOSURE STATEMENT FOR THE
QUARTER ENDING DECEMBER 31, 2014

Information required for compliance with the provisions of the OTC Markets, Inc., OTC Pink Disclosure Guidelines (Version 1.0 1/03/13)

Because we want to provide more meaningful and useful information, this Disclosure Statement contains certain "forward-looking statements" (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These statements reflect our current expectations regarding our possible future results of operations, performance, and achievements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, regulation of the Securities and Exchange Commission, and common law.

Wherever possible, we have tried to identify these forward-looking statements by using words such as "anticipate," "believe," "estimate," "expect," "plan," "intend," and similar expressions. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include, without limitation, the factors set forth under "Item 4. Management's Discussion and Analysis or Plan of Operation." We have no obligation to update or revise any such forward-looking statements that may be made to reflect events or circumstances after the date of this Disclosure Statement.

Item 1. **The exact name of the issuer and its predecessor (if any).**

Paradise Ridge Hydrocarbons, Inc. – August 20, 2012 to present
Formerly Green Bridge Technologies International, Inc. July 2009 to August 20, 2012
Formerly DirectView Technology Group, Inc. - November 2008 to July 2009.
Formerly Homeland Integrated Security System – August 2004 to November 2008.

Item 2. **The address of the issuer's principal executive offices.**

Company Headquarters:

6619 N. Scottsdale Road, Scottsdale Road, Scottsdale, AZ 85250
Telephone number: (480) 528-1763
E-mail: danylor@paradiseridgeinc.com
Website: www.paradiseridgeinc.com (under construction)

IR Contact:

David Naylor

6619 N. Scottsdale Road
Scottsdale Rd., Scottsdale, AZ 85250
Telephone number: (480) 528-1763
E-mail: dnaylor@paradiseridgeincc.com
Website: www.paradiseridgeinc.com

Item 3. Security Information.

Trading Symbol: PRGE
Exact Title and Class of Securities Outstanding: Common Stock
CUSIP: 699 08P 102
Par or Stated Value: $0.00001
Total Shares Authorized: 700,000,000
Total Shares Outstanding: 175,302,137

Transfer Agent:

Transfer Online, Inc.
512 SE Salmon Street
Portland OR 97214

Is the Transfer Agent registered under the Exchange Act: Yes [X] No [ ]

List any restrictions on the transfer of securities: Other than 50,302,139 shares of its common stock that are free-trading, all other shares are restricted and subject to Rule 144.

Describe any trading suspension order issued by the SEC in the past 12 months: None

Item 4. Issuance History.

In the twelve months ended September 30, 2011 the Company issued 188,687 common shares. Of the shares issued in the period, 42,448 shares were from the conversion of 2,099,076 shares of preferred stock series A and 145,939 from the conversion of 3,500,000 shares of preferred stock series E. For the year ended September 30, 2012 the Company issued 23,346 shares of common stock for services and 2 shares of preferred which resulted in an expense of $22,276. All of the aforementioned issuances of securities were subject to the 1-for-10,000 reverse stock split which the Company effectuated in August, 2012.

Item 4. Issuance History cont'd

During the fiscal year ended September 30, 2012, the Company also issued 50,000,000 shares of stock for debt of $75,000 with the accrued interest of $6,100 forgiven. The Company also issued 125,000,000 shares of stock for cash in the total amount of $50,000. At the year ending September 30, 2013 the Company had received $36,779 and recognized an amount to be received in the equity section of its balance sheet of $13,221. At March 31, 2014 the Company had received $37,229 of the $50,000 and due to the remaining amount of $12,771 being eminently close to being paid in full the $12,771 has been reclassified on the balance sheet as an account receivable.

There were no issuances of securities by the Company during the year ended September 30, 2014 and the first quarter ending December 31, 2014 as the total shares outstanding remained at 175,302,137.

Item 5. Financial Statements.

The unaudited financial statements for the Year Ending December 31, 2014 are being filed contemporaneously herewith under the title "Annual Report".

Item 6. Describe the Issuer's Business, Products and Services.

A. Description of the Issuer's Business Operations:

The Company's operations consist of investing in oil and gas properties. This will include the development of existing natural gas (NG), and natural gas liquids (NGLs) production and the midstream processing and mobile road distribution of Compressed Natural Gas (CNG).

FOR INFORMATION REQUIRED BY OTC MARKETS, INC. CONCERNING THE COMPANY'S OIL AND GAS PROPERTIES, REFERENCE IS MADE TO EXHIBIT 6.1 ATTACHED HERETO WITH RESPECT TO THE PROPERTY IS ACQUIRING A WORKING INTEREST.

B. Date and State (or jurisdiction) of Incorporation:

Paradise Ridge Hydrocarbons, Inc. was incorporated in the State of Florida on August 10, 2004 as Homeland Integrated Systems, Inc. On November 2008, it changed its name to Direct View Technology Group, Inc. In July 2009, the Company changed its name to Green Bridge Technologies International, Inc. Finally, on August 20, 2012 it changed its name to Paradise Ridge Hydrocarbons, Inc.

C. The Issuer's Primary and Secondary SIC Codes:

1311 – Crude Petroleum & Natural Gas
1381 – Drilling Oil & Gas Wells

D. The Issuer's Fiscal Year End:

The Company's fiscal year end is September 30.

E. Principal Products or services and their markets:

The Company Invests in active development of oil and gas properties and is engaged in the sale of Natural Gas (NG) , sale of Natural Gas Liquids (NGLs), sale of Compressed Natural Gas (CNG) and sale of storage and distribution of Compressed Natural Gas (CNG). The Company's distribution methods of its products are through via pipeline or through the Processing, Compressing and mobile road distribution via tanker truck of Compressed Natural Gas (CNG). The oil and gas industry is intensely competitive with respect to the acquisition of prospective oil and natural gas properties and oil and natural gas reserves. Our ability to effectively compete is dependent on our geological, geophysical, and engineering expertise and our financial resources. We must compete against a substantial number of major and independent oil and natural gas companies that have larger technical staffs and greater financial and operational resources than we do. Many of these companies not only engage in the acquisition, exploration, development, and production of oil and natural gas reserves, but also have refining operations, market refined products and generate electricity. We also compete with other oil and natural gas companies to secure drilling rigs and other equipment necessary for drilling and completion of wells. Consequently, drilling equipment may be in short supply from time to time. However, drilling rigs and equipment are reasonably available at the present time in the areas where we intend to operate.

Current Developments:

The Company has signed a letter of intent to become a distributor for mobile waste treatment plants that are used in the upstream segment of the petroleum industry.

Item 7. Describe the Issuer's Facilities.

Currently, the office facilities of the Company are provided by the Company's President at no cost to the Company. The Company expects to find suitable office facilities in the near future.

Item 8. Officers, Directors, and Control Persons.

A. Names of Officers, Directors and Control Persons: Provide the full names, business addresses, employment histories (for the past 5 years), positions held, responsibilities and employment dates, board memberships, other affiliations, compensation and number of securities (specify each class) beneficially owned by each person as of December 31, 2014.

Full Name: David M. Naylor
Title: President / Chief Financial Officer / Secretary/Sole Member of the Board of Directors
Business Address: 6619 N. Scottsdale Rd., Scottsdale, AZ 85250
Compensation: Undetermined at this time.
Ownership: As of September 30 2013: -0- share of Common Stock and 2 shares of Series X Preferred Stock.

Biography – Mr. Naylor is a financial management professional with extensive accounting expertise and a highly analytical ability to improve management practices. Most recently his career includes being an independent consultant for various venture capital companies from June 2009 to present. This included being a director and consultant to LL Renaissance Ltd which is listed on the Frankfurt Stock Exchange. From February 2008 to March 2009, he was CFO of Bancroft Uranium, a company that successfully raised $3.75M USD to complete a drilling program and compliant 43-101 report. For the period of October 2003 to June 2009, he held the position of CFO of Silver Star Energy, Inc., during which time the company went from a start up to a producing oil and gas company. From September 2002 to October 2003, he was a tax commodity auditor with the British Columbia Ministry of Provincial Revenue. Mr. Naylor is a Chartered Professional Accountant – CPA, CMA (Canada) with over 20 years of experience.

B. <u>Legal/Disciplinary History.</u> Please identify whether any of the foregoing persons have in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None of the foregoing persons have been the subject of a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.

2. The entry of an order, judgment, or decree not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such a person's involvement in any type of business, securities, commodities, or banking activities;

None of the foregoing persons have been the subject of any order, judgment, or decree, that permanently or temporarily enjoined, barred, suspended or otherwise limited such a person's involvement in any type of business, securities, commodities, or banking activities

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated;

None of the foregoing persons have been the subject of any finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

None of the foregoing persons have been the subject of any order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Beneficial Shareholders.

The following table sets forth, as December 31, 2014, information about the beneficial ownership of our capital stock with respect to each person known by Paradise Ridge Hydrocarbons, Inc., to own beneficially more than 5% of the outstanding capital stock and all directors and officers, individually and as a group, and is based upon 175,302,137 shares of common stock issued and outstanding as of December 31, 2014.

Name and Address	Number of Shares Beneficially Owned	Class	Percentage of Class
David Naylor President, Secretary, CFO and Director[1]	-0-	Common	-0-
Whitehorse Capital, Inc.[2]	-125,000,000-	Common	71.00%
All directors and officers (1 person)	-0-	Common	-0-
	-2-	Preferred Series X	100.00%

If any of the beneficial shareholders are corporate shareholders, provide the name and address of person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders. There is no information known by the Company or available to the Company regarding the person(s) owning or controlling such corporate shareholders.

Item 9. Third Party Providers. Please provide the name, address, telephone number and email of each of the following outside provided that advise the issuer on matters relating to the operations, business development and disclosure:

Legal Counsel The Company is currently evaluating Law Firms for legal representation on all matters. Presently on a limited engagement basis only for preparing opinion letters for the annual report to OTC Markets the Company has:

Law Offices of James R. J. Scheltema, LLC
James R.J. Scheltema
5042 Durham Road
West Columbia, MD 21044
Tel: (850) 723-7496
Email: jscheltema@gmail.com

Accountant or Auditor
Financial Statements are prepared by Management of the Company.

1 The address for Mr. Naylor is 6619 N. Scottsdale Road, Scottsdale AZ 85250
2 The address for Whitehorse Capital, Inc. is 76 Dean Street, Belize City, Belize.

Investor Relations Consultant

None

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

None

Schedule of Exhibits

Exhibit No.	Description of Exhibit
6.1	Information concerning Oil & Gas Properties of the Company.

Item 10. Issuer Certification

I, David Naylor, President of Paradise Ridge Hydrocarbons, Inc., hereby certify that:

1. I have reviewed the Issuer's Quarterly Information Disclosure of Paradise Ridge Hydrocarbons, Inc. for the first quarter ending December 31, 2014.

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer as, and for, the periods presented in this Issuer's Quarter Ending Disclosure Statement.

Date: January 26, 2015 /s/ David Naylor

David Naylor, President

GENERNAL DESCRIPTION – INTRODUCTION

Secured Supply – Working Interest:
Paradise Ridge Hydrocarbons, Inc. has signed an agreement with Oxalis Energy Inc. to initially participate in a 50% working interest in six existing gas wells ready for recompletion. The funding commitment required to earn the 50% working interest is $600,000 USD with a contingency allowance. The natural gas in these wells contains a 1,200 BTU that earns a 20% premium over the regular spot price for natural gas. Additionally, this gas is high in Natural Gas Liquids (NGLs) with approximately 11.94% NGL content in each mcf of natural gas produced.

The investment in the six natural gas wells provides Paradise Ridge Hydrocarbons, Inc. with the opportunity to secure supply with a lost cost and high quality gas production field. This allows us to develop as an Upstream and Midstream company.

Location: The 9000-acre Adams Ranch prospect is located in southeastern Crockett County approximately twenty-five miles south of Ozona, Texas on highway 163. The ranch is situated in and comprises much of the prolific Adams-Baggett Ranch (Canyon Sandstone) field which has produced over 45 billion cubic feet of gas. This area has numerous possible producing horizons including the lower Permian Wolfcamp formation, Pennsylvanian Canyon sandstones, Strawn limestone and sandstone deposits down through the Ordovician age Ellenburger dolomite. It should be noted however, that the Canyon sandstones, which are the main producing horizon in the field, are actually lower Permian deposits of Wolfcampian age. The true Pennsylvanian Canyon sandstones are encountered approximately 4000 feet deeper in this area.

Location:	Crockett County, Texas
Analog Fields:	Chesapeake, Devon, EOG, XTO, & Quicksilver
Land Holdings:	21,000 acres
Interest:	Working 74%
Formation:	Wolfcampian "Canyon" Sandstones
Depth of Target Interval:	4,800 feet
Gross Pay Interval:	10-50 feet
Projected Initial Production Rate:	125-250 MCF/day
Pipeline Access / Connection Point	< 1mile

Paradise Ridge Hydrocarbons, Inc.'s working interest participant; Oxalis Energy Inc., formally known as Transnational Resources Group, Inc., was formed in November 2008 to reacquire the Adams-Baggett Ranch natural gas well development program ("Adams-Baggett Program") from Emvelco Corporation. Oxalis is developing the 9,000 acre Adams-Baggett Drilling Program, which is scheduled to drill One Hundred (100) new natural gas wells located within the Twenty-one Thousand (21,000) acre Adams-Baggett Ranch in Crockett County, TX.

Adams-Baggett Ranch Field (The "Ranch")

Since its re-acquisition of the Adams-Baggett Program, Oxalis has invested over Three Million Seven Hundred Fifty Thousand Dollars ($3,750,000.00) in the Adams-Baggett Program and has successfully drilled six (6) natural gas wells, two (2) of which are producing and four (4) which are ready to be connected to pipe.

Recent geological reports estimate Oxalis reserves, based on forty (40) acre spacing, which could be reduced down to ten (10) acre spacing, indicates Proven Undeveloped Reserves ranging from one-third (1/3) to one-half (1/2) BCF per well. Based on the BTU quality of the natural gas within the Adams-Baggett Ranch, Oxalis is receiving a Twenty-one Percent (21%) premium on the price for its natural gas production from these producing wells. Based on a recent reserve report, the total upstream production valuation of the Adams-Baggett 100 new well Program ranges from One Hundred Fifty Eight Million Four Hundred Thousand Dollars ($158,400,000.00) to Two Hundred Forty Million Dollars ($240,000,000.00), using a base price of Four Dollars ($4.80) per MCF. Oxalis receives a net distribution of 74% of revenues (26% landowner royalty) and pays a Texas railroad commission tax of 7.5% of its received upstream gas production income for a net payout of approximately 68.45%.

MAPS of the Prolific Tri-State Natural Gas Production Zone of Oklahoma, Kansas & Texas

Texas Quick Facts

- Texas is the leading crude oil-producing State in the Nation (excluding Federal offshore areas, which produce more than any single State).
- The State's signature type of crude oil, known as West Texas Intermediate (WTI), remains the major benchmark of crude oil in the Americas.
- Texas's 27 petroleum refineries can process more than 4.7 million barrels of crude oil per day, and they account for more than one-fourth of total U.S. refining capacity.
- Approximately three-tenths of total U.S. natural gas production occurs in Texas, making it the Nation's leading natural gas producer.
- Texas also leads the Nation in wind-powered generation capacity; there are over 2,000 wind turbines in West Texas alone.
- Texas produces and consumes more electricity than any other State, and per capita residential use is significantly higher than the national average.

Please refer to Appendix A for Engineering Report on the Adams Ranch Prospect in Crockett County, Texas

Appendix A: Engineering Report on Adams Ranch Prospect.

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PETROLEUM GEOLOGIST
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Sullys9@msn.com

May 4, 2009

MR. JIM DIAL
2507 N. FRAZIER ST.
SUITE 410
CONROE, TEXAS 77303

GEOLOGICAL EVALUATION REPORT
ADAMS RANCH PROSPECT
ADAMS-BAGGETT RANCH FIELD
CROCKETT COUNTY, TEXAS

LOCATION

The 9000-acre Adams Ranch prospect is located in southeastern Crockett County approximately twenty-five miles south of Ozona, Texas on highway 163. The ranch is situated in and comprises much of the prolific Adams-Baggett Ranch (Canyon Sandstone) field which has produced over 45 billion cubic feet of gas. This area has numerous possible producing horizons including the lower Permian Wolfcamp formation, Pennsylvanian Canyon sandstones, Strawn limestone and sandstone deposits down through the Ordovician age Ellenburger dolomite. It should be noted however, that the Canyon sandstones, which are the main producing horizon in the field, are actually lower Permian deposits of Wolfcampian age. The true Pennsylvanian Canyon sandstones are encountered approximately 4000 feet deeper in this area.

GEOLOGY

Regionally this area is on the northeast flank of the Val Verde Basin. This basin formed as a fore-deep basin to the north of and was sourced by the Devils River Uplift and the Ouachita foldbelt during late Pennsylvanian through early Permian time. Towards the middle of the basin, the Wolfcamp and Canyon sections expand rapidly to over 15,000 feet of clastic sediments.

The prospective Wolfcampian “Canyon sandstones” in the Adams-Baggett Ranch (Canyon Sandstone) field consists of several depositional cycles and indicate sudden energy increases which were followed by gradual energy declines. These higher energy cycles created several different environments of deposition leaving a vertically stacked section of channel sands, bar sands, braided stream deposits and possible turbidite sequences, all of which make for difficult log correlations throughout the area. These sandstones are interbedded with numerous tidal mudstones and lime deposits and the sandstone sections are separated by thicker shale sequences. These sandstones also contain abundant volcanic clays which must be considered when drilling and completing these zones. On the Adams Ranch these prospective and often prolific sandstones produce gas from approximately 4400 to 5000 feet.

Various Pennsylvanian sandstones occur between 7000 and 10,000 feet under the prospective acreage. These sandstones have a fairly similar depositional history as the above miss-named “Canyon sandstones” however they

are not as thick or numerous. There have been several wells in the general area which have had significant gas "shows" and these sands should be evaluated when drilling through this section.

The Strawn Limestone is another major objective which needs to be drilled and evaluated across the Adams Ranch. A structure map contoured on the top of the Strawn Limestone indicates a structural anomaly centered on the east half of section 127 which lies near the middle of the lease block. The contours indicate this structural high could encompass upwards of 1000 acres and have 150 feet of closure. In 1961 Honolulu Oil Corp drilled their Adams #1 well to a total depth of 12,827 feet. This well was located in the west half of section 126 and is within the closure of this anomaly. A drill stem test was run on the top of the Strawn Limestone from 11,144 feet to 11,230 feet and reported gas to surface in thirty minutes. The test was run for six hours and the completion information states that gas was produced at a rate of 64 MCF per hour throughout the test. Considering that the Strawn Limestone very seldom has a hydrocarbon show unless it is structurally trapped and reef porosity has been preserved, indicates a good probability that a structural high is present. The Honolulu well also attempted several drill stem tests in the Ellenburger but had packer failures and never tested the upper part of the formation. The hole began caving and it was subsequently plugged and abandoned.

To the southeast two miles, FIML Natural Resources has recently discovered what is believed to be Strawn Limestone production. There are no logs available but the completion depths indicate Strawn as the producing horizon. Currently they have completed three wells in section 83 and one in section 78. Two of the wells averaged 2000 MCFPD for their first few months of production with potentials of near 9000 MCFPD. The #3183 has produced 1.08 BCF in 22 months, the #2178 has produced 750 MMCF in 17 months, the #2183 has delivered 400 MMCF in 11 months and the #83M well has cumulative production of 108 MMCF in just its first three months. FIML has also permitted five new Strawn locations even closer to the southeast border of the Adams Ranch lease with one being in section 116 and 660 feet from the lease line. If these wells continue to produce as they are presently, their ultimate recoveries will be much greater than the average Strawn well.

The Ordovician age Ellenburger Dolomite is also prospective on the Adams Ranch. The Ellenburger is known as a very prolific producer all across south and west Texas and usually has significant per well recoveries exceeding five BCF when it is found productive. It too usually produces from structural traps and therefore is a good candidate to be evaluated on the aforementioned anomaly. Three miles to the northwest the Texas Company #1 Smith reportedly flowed gas at a rate of 5.5 MMCFPD from the Ellenburger but considering no gas outlet was available in 1948 the zone was abandoned.

Detail:	Proved Undeveloped	Probable	Total
Net reserves to evaluated interests:			
Gas : mcf	13,907,000	11,010,000	24,917,000

RECOMMENDATIONS and CONCLUSIONS

Considering the Canyon sandstones underlie the entire 9000-acre Adams Ranch lease and have yet to be found non-gas bearing it is recommended that a systematic drilling program be initiated to recover these significant remaining gas reserves. In review of the production data from wells using the new stimulation techniques it appears that sufficient reserves can be produced by most all wells to ensure economic success. Even a well with a low cumulative recovery of 150 MMCF will payout at today's gas prices and forecasts are for those prices to increase. Combined with the majority of wells which should recover two or three times that figure, enough hydrocarbons can be produced just from the shallow "Canyon Sandstone" to payout the project and be very profitable. In October of 2007 the Railroad Commission of Texas reduced the optional proration unit per Canyon well down to 10 acres with 1100-foot maximum diagonals. So there are now even more Canyon sandstone locations that can be drilled on the lease.
Caution, however should be exercised with these smaller units and a careful and systematic program of selectively perforating productive intervals in each well to avoid the possibility of nearby wells draining the same area. This should not become a problem given the thickness of the overall productive section and the erratic nature of the sand deposition.

Throughout the Canyon trend many wells have been lost or their possible ultimate recoveries and daily flow volumes significantly reduced by allowing improperly treated fluids to contact the formation. The volcanic clay content in some of these Canyon sandstones can exceed 50% of the matrix and swell very readily, choking off the already low permeability and filling flow channels.

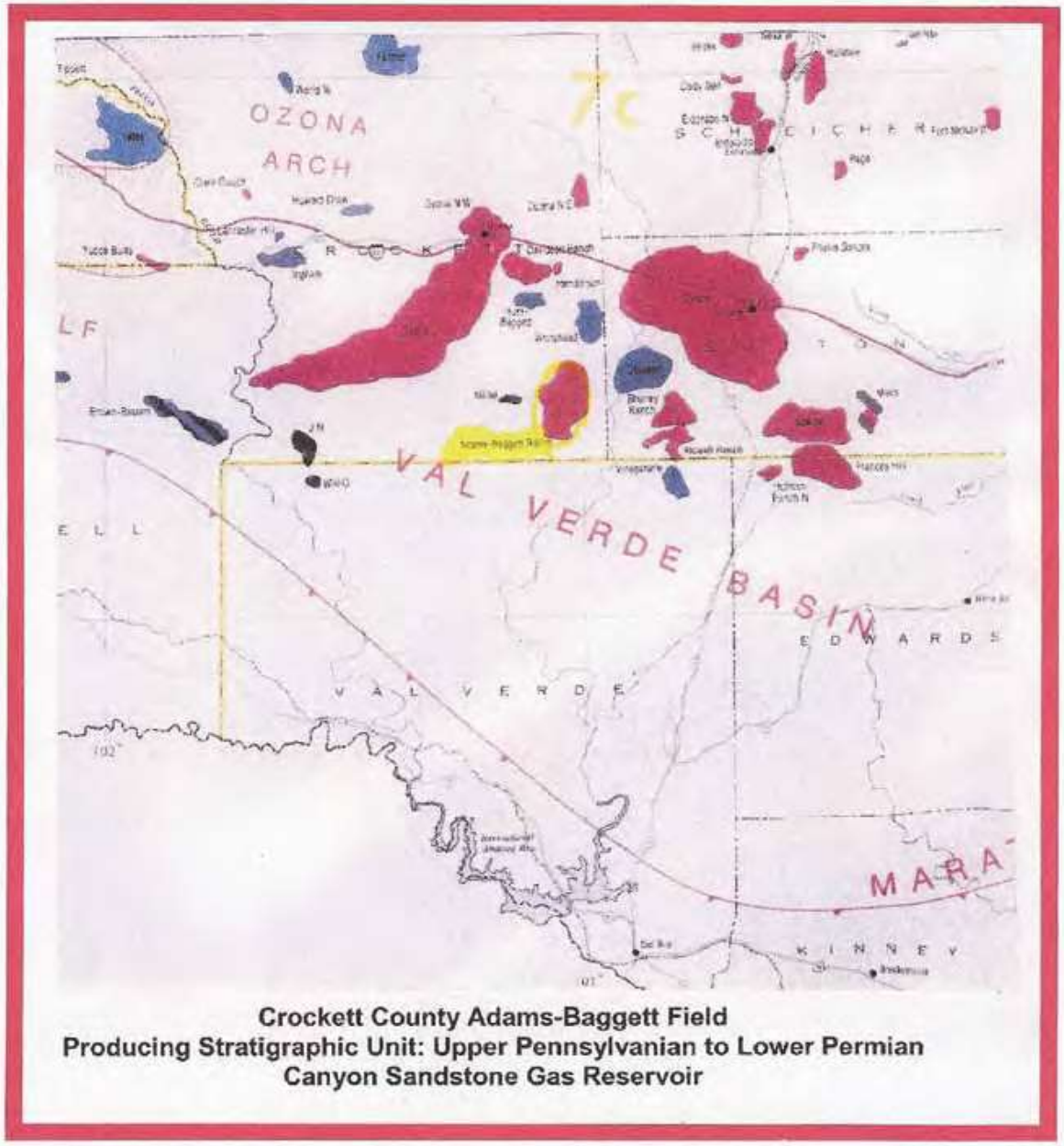
It is also recommended that the deeper horizons be explored and evaluated. The hydrocarbon shows in the top of the Strawn Limestone in section 126 were impressive considering that 64 MCF per hour equates to 1500 MCF per day. That is very good for a Strawn Limestone that has not be acidized or hydraulically fractured. FIML's new discovery to the southeast and the apparent strength of their wells lends even more credence to risking a test well on the anomaly.
The production records reflect that FIML's #3183 well, even after 22 months and producing over a BCF is still flowing at a rate of over 1300 MCFPD.

Respectfully Submitted,

Robert W. Sullivan

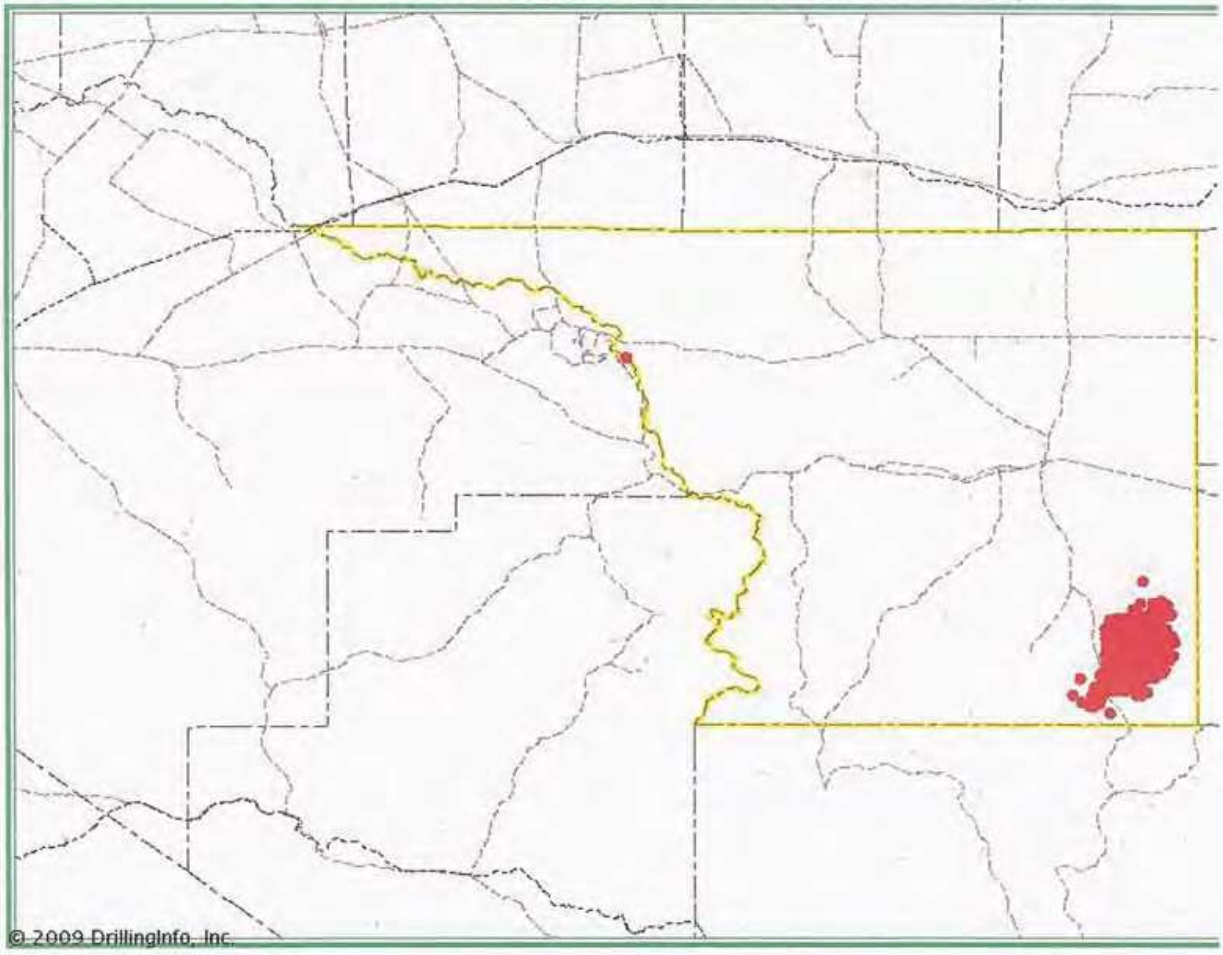
ENCLOSURES

Val Verde Basin Field Map
County with Field Location Map
Adams Ranch Lease Outline Plat
Stratigraphic Column of Val Verde Basin
Tectonic Map of Val Verde-Permian Basins
Val Verde Basin X-Section
Adams 127-12 Logs
Structure Map-Strawn Limestone
New Strawn Limestone Production Location Plat
Decline Curve-FIML Well # 3183

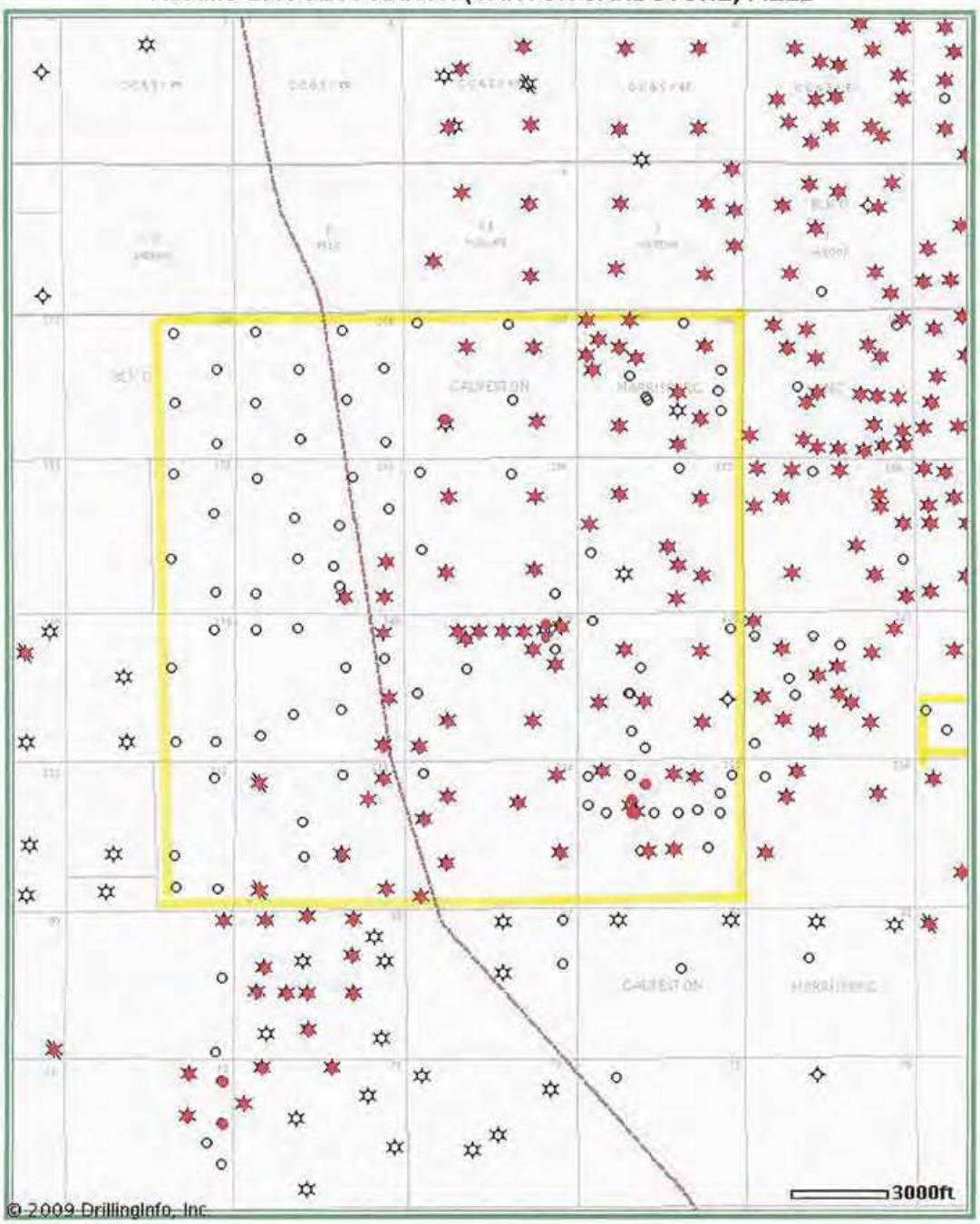


Crockett County Adams-Baggett Field
Producing Stratigraphic Unit: Upper Pennsylvanian to Lower Permian
Canyon Sandstone Gas Reservoir

ADAMS-BAGGETT RANCH (CANYON SANDSTONE) FIELD



ADAMS-BAGGETT RANCH (CANYON SANDSTONE) FIELD



VAL VERDE BASIN - STRATIGRAPHIC COLUMN

Era	Period	Epoch	Series/Group	Depth(Ft)	Lithology
Mesozoic	Cretaceous	Comanchean	Fredericksburg Trinity	0-900	
Paleozoic	Permian	Guadalupian Leonardian Wolfcampian	Guadalupian Leonardian Wolfcampian	950-6000	
	Pennsylvanian	Virgilian Missourian Desmoinesian Atokan	Cisco Canyon Strawn Bend	6000-7000 9000-9300	Interbedded sandstone & shales Slope-basin turbiditic sandstones Fossiliferous limestones Sandstone & limestone
	Mississippian		Chester Shale Barnett Mississippian Lime Woodford		Shale Shale Shaly, cherty limestone Bituminous fissile shale
	Devonian	Devonian	Devonian		Cherty limestone, dolomite & novaculite
	Silurian		Upper Silurian Fusselman		Clastics & carbonates Glauconitic limestone & dolomite
	Ordovican	Canadian	Montoya Simpson Ellenburger	9600-10,000	Limestone & cherty dolomite Shale,sandstone & limestone Dolomite with chert & sandstone
	Cambrian	Croixian Albertan	Wilberns Fm Riley Fm Lower Cambrian		Marine Sandstone dolomites & conglomerates Granite wash, arkoses & arkosic shales
Precambrian			Consisting primarily of granitic rocks		

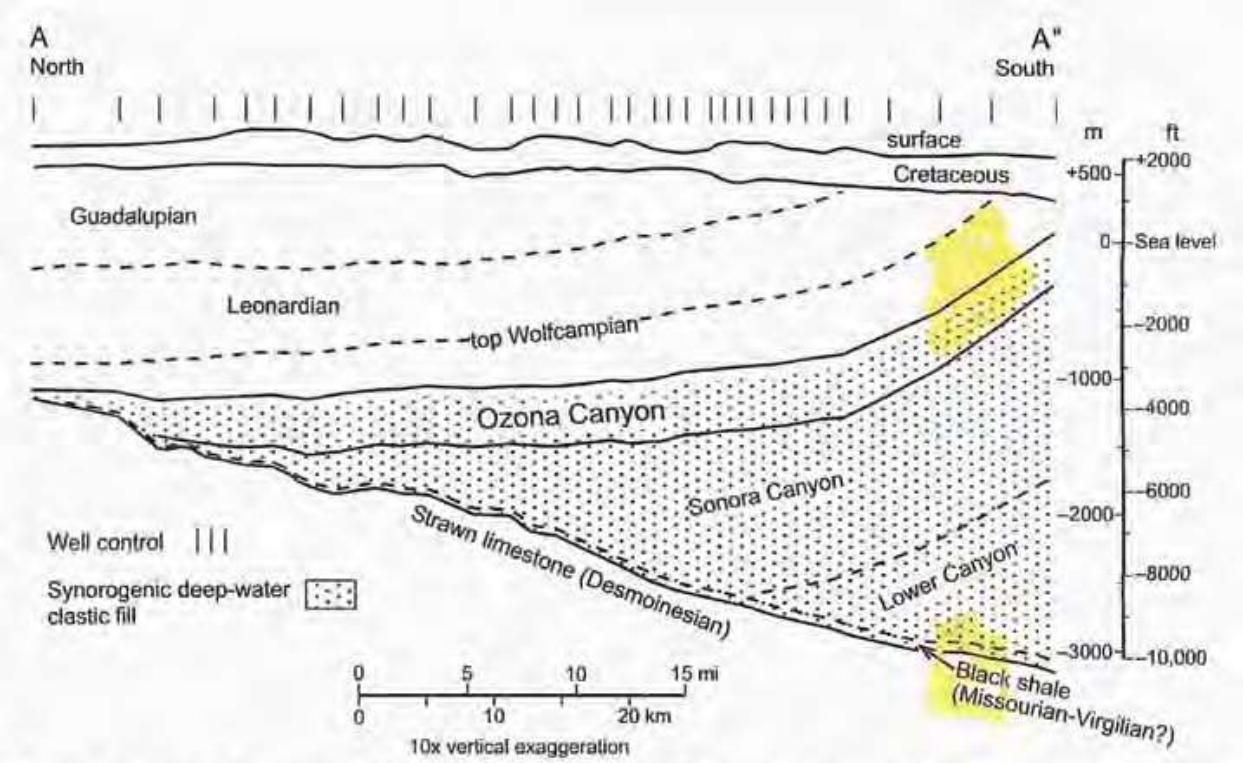
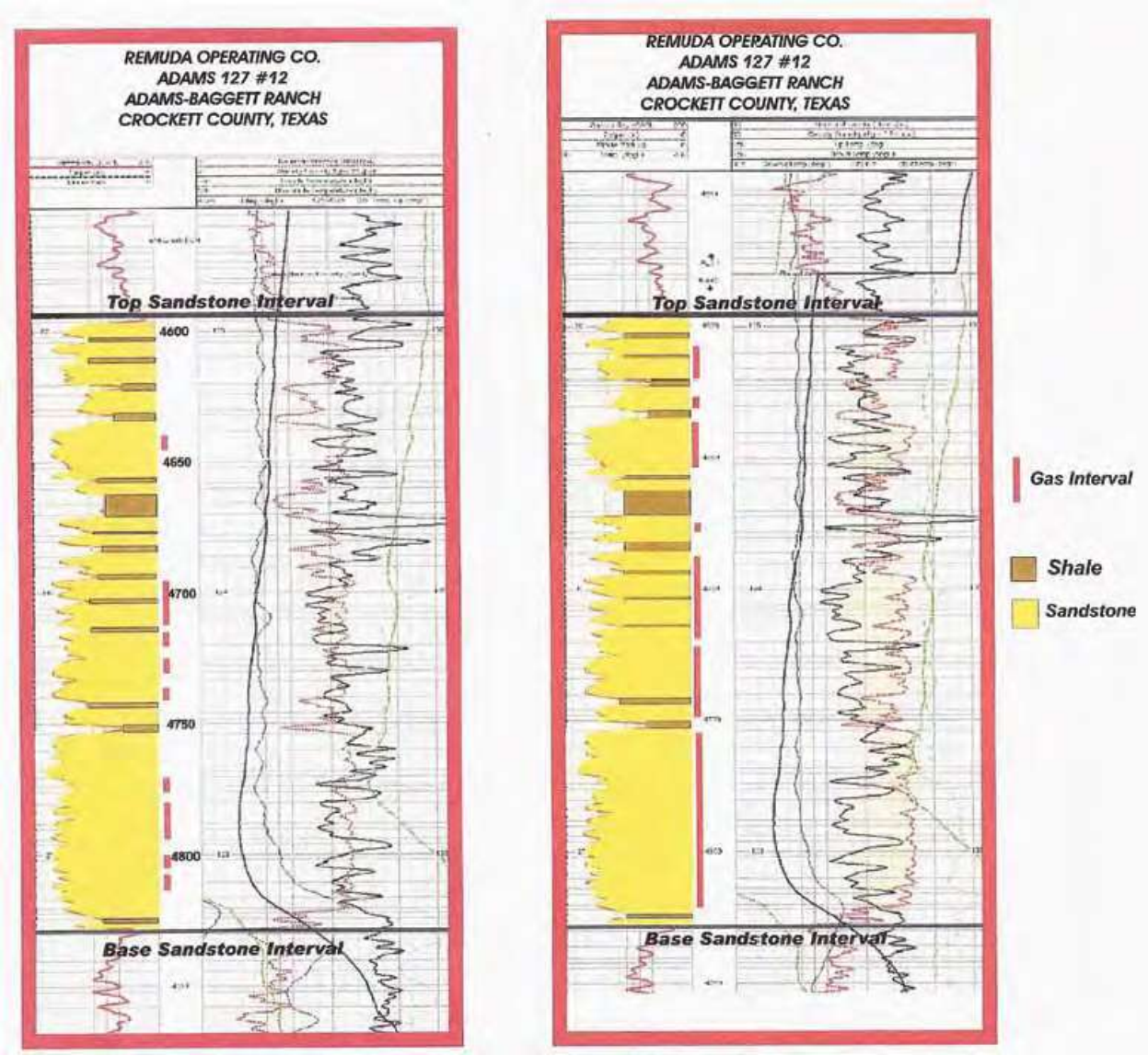
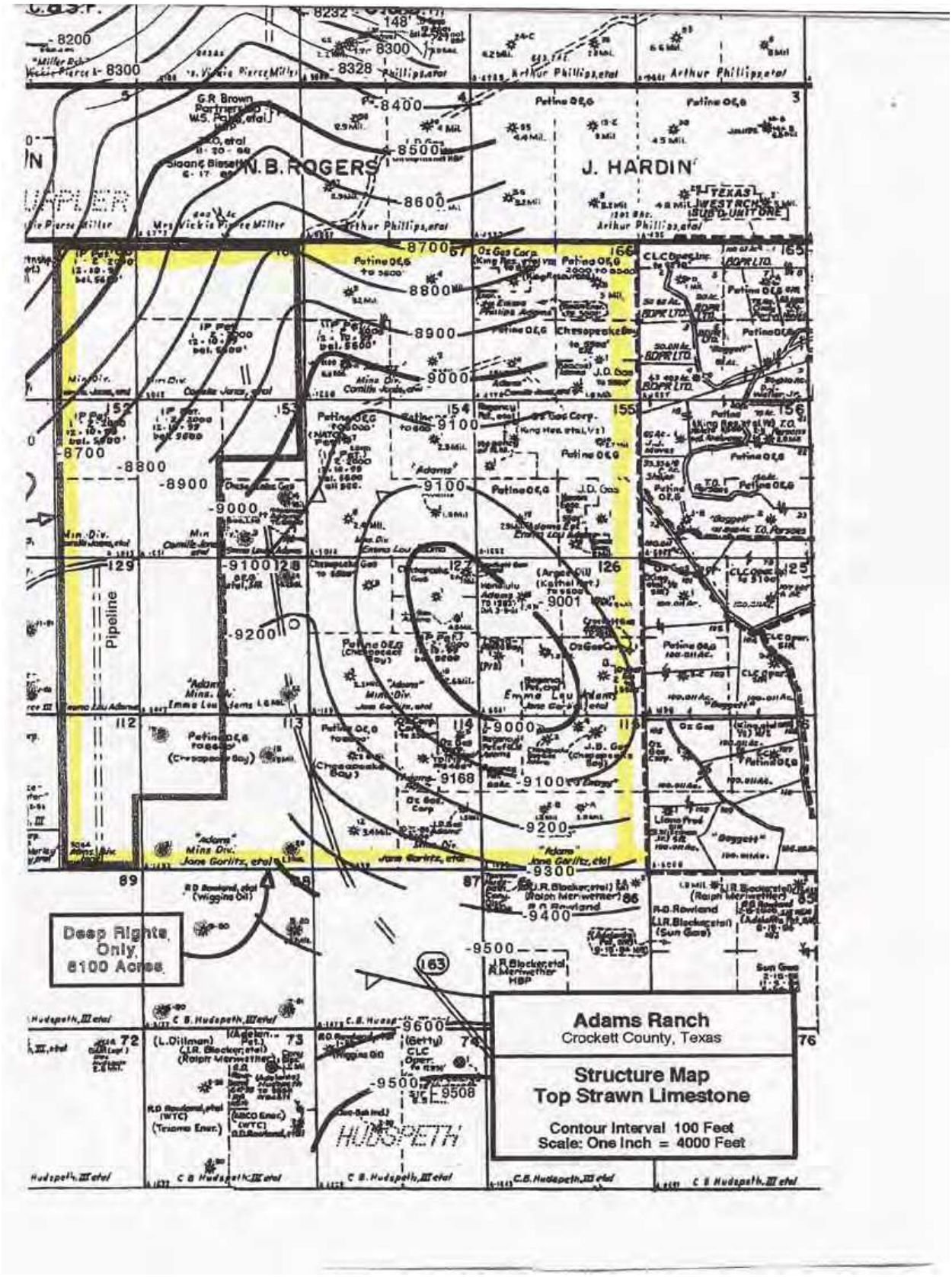
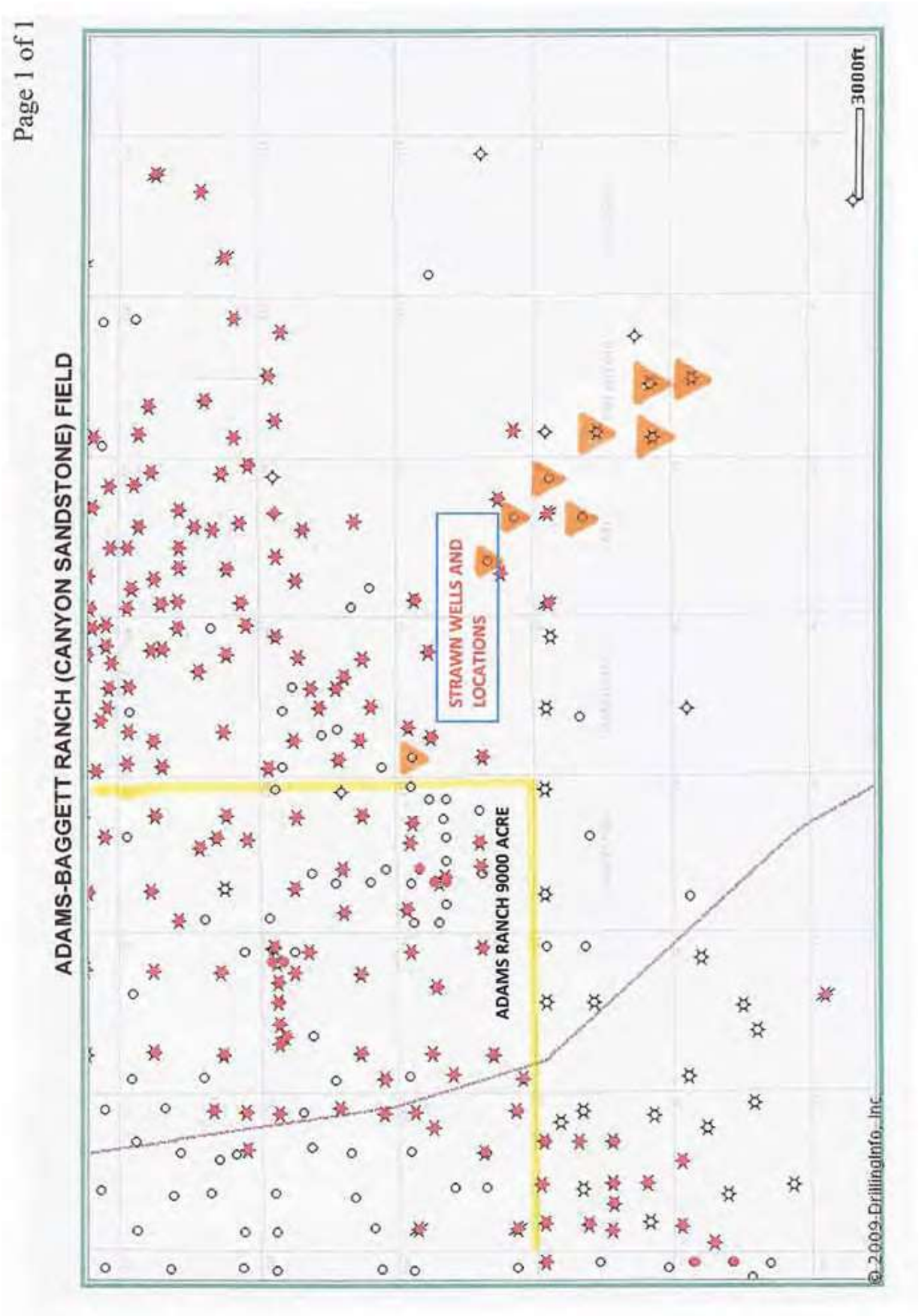


Figure 2. North–south cross section AA″ hung on structural datum showing stratigraphy and structure in the northern part of the Val Verde Basin. Synorogenic deep-water strata (mostly Wolfcampian) onlap preorogenic Strawn limestone and thicken southward. Post-orogenic strata (mostly Leonardian and Guadalupian) thicken northward into the Midland Basin (Figure 1). The line of section is located in Figures 1 and 3.


REMUDA OPERATING CO.
ADAMS 127 #12
ADAMS-BAGGETT RANCH
CROCKETT COUNTY, TEXAS
Top Sandstone Interval
4600
4650
4700
4750
4800
Base Sandstone Interval
REMUDA OPERATING CO.
ADAMS 127 #12
ADAMS-BAGGETT RANCH
CROCKETT COUNTY, TEXAS
Top Sandstone Interval
Base Sandstone Interval
Gas Interval
Shale
Sandstone


N. B. ROGERS
J. HARDIN
Pipeline
Deep Rights Only, 6100 Acres
HUDSPETH
Adams Ranch
Crockett County, Texas
Structure Map
Top Strawn Limestone
Contour Interval 100 Feet
Scale: One Inch = 4000 Feet


Page 1 of 1
ADAMS-BAGGETT RANCH (CANYON SANDSTONE) FIELD
3000ft
STRAWN WELLS AND LOCATIONS
ADAMS RANCH 9000 ACRE
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Single Lease Production Chart

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Production Hub Pages

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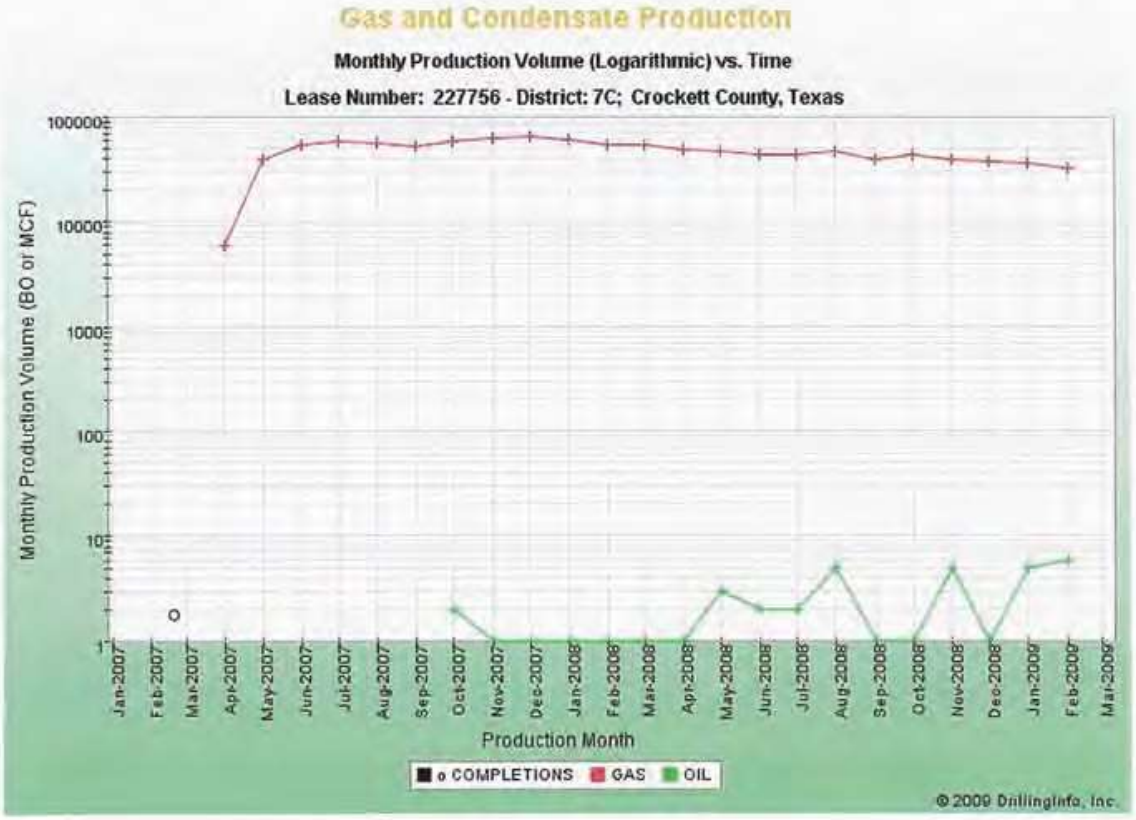
Field	Operator	Location
COOS (PENN STRAWN)	FIML NATURAL RESOURCES, LLC	District: 7C; Crockett County, Texas
Lease Name	**Gas ID Number**	**Cumulative (since 2007)**
KENLEY	227756	1,080 MMCF; 30 BO
Wells		
4210540155(3183)		



http://www22.drillinginfo.com/drawSingleLeaseProductionChart.do

5/11/2009

The properties for which the reserves were evaluated are located in Crockett County, Texas as shown in Figure 1. Figure 2 & 3 are Lease Ownership Maps of the Proved Undeveloped and Probable locations. Table 1 is a summary cash flow Reserve and Economic projection for all evaluated categories. Table 2 is a summary Reserve & Economic Projection for the Proved Undeveloped category wells. Table 3 is a summary Reserve & Economic projection for the Probable category wells. Table 4 is a One Line Summary. Tables 5 through 90 are individual Reserves and Economics projections for the individual properties. Graphical displays of the future predicted decline trends for the individually evaluated properties are also included in this report.

The reserves evaluated in this report are classified as Proved Undeveloped and Probable. A definition of all reserve categories follows this letter.

This study was performed using industry-accepted principles of engineering evaluation that are predicated on established scientific concepts. The application of such principles involves extensive judgments and is subject to changes in existing technical knowledge, economic conditions, and statutory or regulatory provisions. Reserve evaluations are imprecise due to inherent uncertainties and limitations in the database. Joe C. Neal & Associates reserves the right to alter the calculation of reserves discussed in this report if corrections to this data are subsequently required.

Environmental liability presence or potential presence is not addressed in the values developed in this report. The increasing attention to environmental issue by landowners and their associated attorneys, public interest groups and expanding government agencies such as the RRC, EPA, and TNRCC make it essential to acquire a knowledgeable idea of the environmental costs that are anticipated to be associated with ownership or operations of a property. The required depth of understanding of the environmental issues can be increased proportionally as interest in a property develops. Anticipated reclamation costs can even be subtracted from the price of acquisition. In any event, a prudent judgment of the value of a property requires including an assessment of existing environmental issues associated with the property. Joe C. Neal & Associates, experienced registered professional engineers routinely conduct the required investigations and provide certified environmental assessments.

Property identification, revenue interests, and product prices were provided by information supplied by Davy Crockett Gas Co., LLC. This data was not verified by inspection of internal records or files, nor was a physical inspection made of the producing properties.

The estimated remaining gross gas reserves of the Proved Undeveloped locations, shown in Figure 2, were assigned reserves based on a Frac Treatment of 180,000 gallons of water, 400,000 pounds of sand and 200 tons of carbon dioxide (CO_2). Assignments for the forty-eight (48) Undeveloped Wells are based on forty (40) acre Proration and drainage area units. Additional locations will be assigned as development of the acreage proceeds. A detailed cost estimate for this Frac Treatment has not been performed. The drilling and completion costs ($300,000.00) for the Proved Undeveloped locations were supplied by Davy Crockett Gas Co., LLC.

Ultimate recoveries of the Proved Undeveloped locations are derived from comparison of Type Curves of wells with older fracture treatments and wells utilizing the above referenced treatment. This study is detailed in the Joe C. Neal & Associates Report dated June 28, 1984.

The Strawn Formation is present across the acreage and has been tested in the Honolulu Well in Section 126. The well tested at a rate of 64 MCF of gas per hour in March 1961. There are Strawn completions north, south and northwest of the subject acreage. The Hudspeth 74 No. 1 Well due south of the acreage in Section 74 was completed in 1968. The well potentialed for 5.5 MMCF of gas per day and has a cumulative production of approximately 1 BCF of gas to date.

The Ellenburger Zone produces in wells surrounding the subject acreage, but no direct evidence of its producing ability exists on the subject acreage.

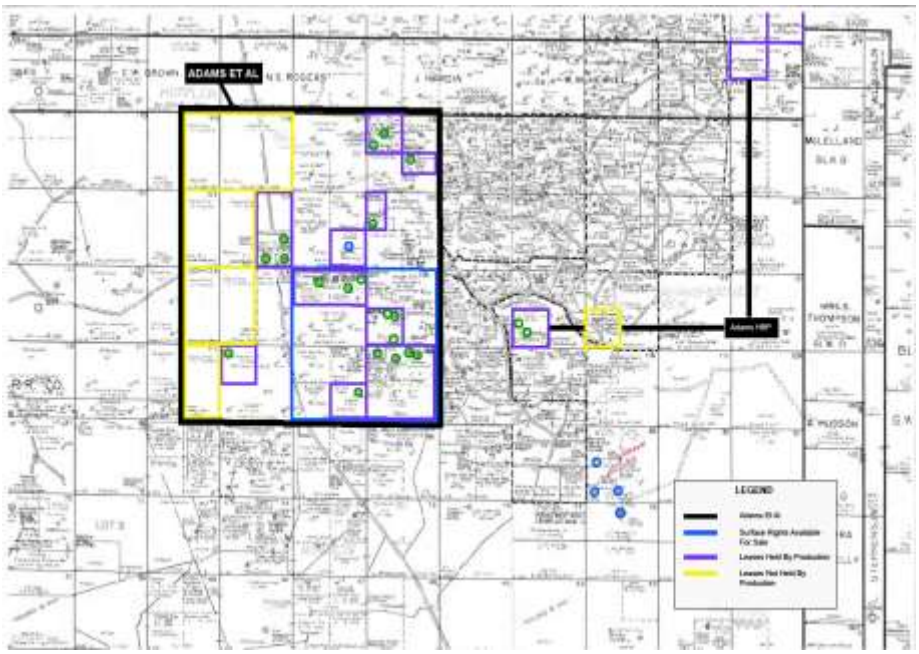
Net gas reserves are estimated quantities of natural gas, and natural gas liquids attributed to one hundred percent (100%) of the revenue interest evaluated. Net income to the one hundred percent (100%) revenue interest of the properties is the future net revenue after deduction of state and county taxes where applicable. Minor variations in composite column totals result from computer rounding.

Value of the estimated net proved reserves is expressed in terms of future net revenue and present value of future net revenue. Information regarding prices and the particular pricing categories under current governmental regulations was supplied by Davy Crockett Gas Co., LLC.

Present value of future net revenue is calculated by discounting the future net revenue at the rate of ten percent (10%) per annum compounded monthly over the expected period of realization. The present value set forth in this report does not necessarily represent the fair market value of the evaluated interests. The fair market value of any property is based on the value the property can be bought or sold for on the open market.

A gas price, supplied by Davy Crockett Gas Co., LLC, of $9.28 per MCF was used and held constant for the life of the properties. Gas volumes are expressed at standard condition of sixty degrees (60°) Fahrenheit and at the standard pressure base of the respective area in which the reserves are located.

Operating expenses were supplied by Davy Crockett Gas Co., LLC and held constant for the life of the properties. Severance and ad Valorem taxes were deducted in the lease reserves and economics projections at the standard rates.


ADAMS ET AL
LEGEND