



**SOUTH PLAINS**  
Petroleum

# 2019 Business Plan



## Confidentiality Agreement

By proceeding you acknowledge that the information provided by South Plains Petroleum, Inc. ('Company') in this business plan is confidential in nature other than information that is in the public domain through other means, and therefore, the reader agrees not to disclose it without the express written permission of the Company. The reader further acknowledges that unauthorized usage of this confidential information constitutes a breach of the agreement of confidentiality and that unauthorized usage may cause serious harm or damage to the Company.

The recipient of this business plan agrees that any future disputes between them will be determined by binding arbitration before a former or retired Texas Judge or Justice. The arbitrator shall be selected by the Administrative Judge of the Harris County District Courts. A ten-day notice is required prior to contacting the Administrative Judge, allowing all parties an opportunity to participate. Upon request, this document is to be immediately returned to the Company. Should you not agree to the above, you are required to stop at this point and delete this information.





# Forward-Looking Statements

The following document is presented for informational purposes only. It is not intended to be, and is not, a prospectus, offering memorandum or private placement memorandum. The information in this business plan may not be complete and may be changed, modified, or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company.

The information in the business plan is also inherently forward-looking information. Among other things, the information: (1) discusses the Company's future expectations; (2) contains projections of the Company's future operating results or of its financial condition; and (3) states other "forward-looking" information. There may be events in the future that the Company cannot accurately predict or over which the company has no control, and the occurrence of such events may cause the Company's actual results to differ materially from the expectations described herein.

**This document is not an offer to sell or the solicitation of an offer to purchase an interest in the South Plains Petroleum, Inc. (SPP) or any of its wells. Any such offer or solicitation will only be made by means of the Confidential Private Offering Memorandum of SPP (and any amendment thereto) and only in those jurisdictions where permitted by law. Advisors should refer to the Confidential Private Offering Memorandum for more complete information.**





## Company Key Features

**What We Do:** Think Flipping Houses/properties in the Real Estate Industry. We do virtually the same except our “Properties” are Oil and Gas Wells and Fields. Also, once the wells have been “fixed up” we tend to keep them and enjoy their monthly cash flows! At this time, we have acquired several properties with substantial reserves which we are developing.

**What We Are:** An exceptional opportunity to invest in a young petroleum company prior to it becoming Public with a strong management team and great petroleum assets.

**What We Have:**

- **Controlling Interest in a US Publicly Traded Oil Company in which we plan to merge**
- **Seasoned & Experienced Management Advisory Board**
- **US onshore production with Cash Flow**
- **Development drilling in fields with existing proven reserves**
- **5% Gross Revenues Dedicated to Dividend Fund Upon Certain Price Levels**
- **Improvements in technology enhance well productivity and profitability**
- **Petroleum assets to secure funds for development**
- **Low and predictable entry costs**
- **Excellent profit potential**



## Executive Summary

South Plains Petroleum, Inc. (SPP), a Texas Corporation was formed in May, 2018 and is based in Abilene, Texas. SPP has acquired controlling interest of a US Publicly Traded Company into which it plans to merge. SPP plans to acquire both producing and non-producing oil and gas properties in Texas, Oklahoma and Louisiana which have further development drilling or where existing wells have substantial behind-the-pipe reserves. Either of these scenarios equate to significant returns on investment at today's oil prices. And in some cases, returns can be extraordinary!

SPP's management has demonstrated its ability to perform this strategy multiple times over the past 10 years with the acquisitions of several properties whereby they reworked existing wells into overlooked reserves culminating with their Swenson Brothers Cattle Company purchase. SPP does not pay for prospects, but instead offers a generous interest in the prospect should it be successful. The result is fewer prospects, but higher quality.

### Why is oil left behind?

Mismanagement, mechanical problems/failures, improper completions, price swings, miscalculations, perforating the wrong formation and the list continues! Our team of professionals utilize an internal set of checks and balances to prevent such mistakes.





# Our Path to Market is Moving Quickly!

South Plains Petroleum, Inc. ultimately plans to become a publicly traded company. To achieve this goal, we have undertaken the following steps:

## **Consultants**

In January 2019, we entered into a contract with NeuHaus Advisors, Inc. to help guide and facilitate a path to becoming public along with appropriate financings.

## **SEC Filings & Offerings**

In January 2019 we contracted with Startengine.com to file a Form C for a crowdfunding with the SEC. That filing was completed in May 2019 after management underwent thorough background checks by the US Securities and Exchange Commission.

## **Acquired Publicly Traded Company**

In October 2019 we acquired the controlling interest of a US Publicly traded company into which we plan to merge our operations and assets and register SPP common shares and those underlying any of SPP's Bonds or Warrants.

## **Management Advisory Board**

<sup>6</sup>An Advisory Board consisting of Seasoned & Experienced Industry Professionals help guide the Company.



## Why Invest with Us

South Plains Petroleum, Inc. (SPP) approaches each investment it makes with a set of parameters governing whether the property or project is viable, cost effective and has a sufficient risk/reward ratio to justify moving forward. Part of the risk/reward questions revolve around longevity of the project and its payout. Similarly, we have used the same parameters when structuring an investment into our Company.

First of all, we strive to protect your principal. We do this by posturing the investment in a secured note format called a Bond. Second, we want you to make something on your investment while looking to the big pay day. We do this by paying an attractive interest rate. And finally, we want to give you a return on your investment measured in multiples, not fractions. We do this by adding a Convertibility feature to the Bond which allows you, the investor, the choice of either cashing out and preserving your principal should things not work out as planned or, if they do work out, converting the Bond to stock to take advantage of a much higher return.

A recent article at [www.oilprice.com](https://oilprice.com/Energy/Crude-Oil/The-Best-Way-To-Invest-In-Modern-Day-Oil-Exploration.html) entitled *The Best Way to Invest in Modern Day Oil Exploration* basically recommends investing in young oil companies prior to them being acquired by the larger oil companies. That is our goal here at SPP, to build a substantial business to be acquired. You can see the above mentioned article here: <https://oilprice.com/Energy/Crude-Oil/The-Best-Way-To-Invest-In-Modern-Day-Oil-Exploration.html>





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# Financings







## Executive Summary Financing

South Plains Petroleum, Inc. (SPP) initially sold approximately 136,500 shares of Common Stock for \$1 per share to facilitate filing a Form C Crowdfunding with the Securities and Exchange Commission through Startengine.

During March 2019, SPP made offers to acquire third party owners' interest in 10 existing oil wells and leases known as the Swenson Brothers Land & Cattle Co. (9 wells and 585 acres) and the Kieke Lease (1 well and 228 acres). The Offers consisted of 3,035,505 shares of SPP Common Stock based upon \$1 per share.

In May 2019, Startengine.com filed the Form C with the Securities and Exchange Commission on behalf of South Plains Petroleum, Inc. to raise up to \$1,070,000 through the sale of Common stock priced at \$1.60 per share.

During October 2019 SPP acquired controlling interest in a US Publicly Traded Company.

During September 2019, SPP signed with SA Capital Partners, LLC to help raise \$5 million through their financial network of Family Offices, Financial Planners and Wealth Managers.

## CURRENT FINANCING

SPP has a \$5 million Convertible Secured Bond Offering consisting of 1,000 \$5,000 Bonds which bear 10% Annual Percentage Rate which is paid quarterly and may convert to 5,000 common shares after 1 year.



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# Projects





# Haskell County, Texas Oilfield

## Background Information

In 1951 the Texas Oil Company, later known as Texaco, drilled a well on the Swenson Brothers Cattle Co. lease and declared it a dry hole. A few months later the Burt brothers drilled a well about ½ mile west on the same tract of land and set pipe, but ultimately plugged the well as a dry hole after opening a water zone. Three months later they drilled a second well which came in flowing 84 barrels oil per day (bopd). The next month they drilled the Swenson #3 which flowed 315 barrels of oil in 3 hours! In all, they drilled 19 wells on 10 acre spacing on the property and produced over 2.3 million barrels of oil, most of which was produced from the NW 200 acres on the property from the Swastika Sand.

Over the years the property changed hands and a couple of additional pays were produced, but no further drilling outside the original pattern established in the 1950's. Landmaster Partners, Inc.(Landmaster) acquired the property in 2012 when it had 2 wells producing 6 bopd and for 2 years continued following conventional advice increasing production to a maximum of 20 bopd for a while. After acquiring new well data in 2014, Landmaster attempted a new pay in the Swenson #14 well, the Upper Swastika Sand, resulting in the 60+ year-old well producing over 270 bopd. They then went on to complete the same pay in several more of the existing wells to prove the pay and then contracted a geologist to map the newly discovered pay. As it turned out, the Upper Swastika Sand had similar porosity, was up to 55 feet thick and covered nearly 3 times the area of the Lower Swastika Sand which had produced an estimated 1.9 million barrels of oil!

In 2017, Landmaster re-entered a well on the Kieke Lease just to the north of the Swenson Brothers Cattle Co. Lease and completed it for 18 bopd in the Upper Swastika Sand, but eventually recompleted it in the Gunsight Limestone to reduce water production until a saltwater disposal well could be placed on the lease.





# Haskell County, Texas Oilfield Potential

Geology and engineering studies confirmed substantial oil reserves, similar to those already produced, exist with over 50 development sites. It was recommended to use jet pumps to produce the existing wells and in December 2018 installed a trial unit on its Swenson #6. The result was more than triple the oil production and no equipment failures, thus a path was determined for the field's future development.

Based upon the geological structure map of the Upper Swastika Sand shown on the next page, there are over 50 development drilling locations between the Kieke and Swenson properties for this pay zone. Historical production volumes for this pay in the very few wells that produced it averaged over 50,000 barrels of oil per well under primary recovery. For our valuations, SPP used an 18% recovery factor or about 35,000 barrels per well. The Swenson 2A well was drilled in 1993 and had produced over 30,000 bo from the lower section of the Upper Swastika Sand when Landmaster acquired the property in 2012. More information on our oil properties may be seen at [www.southplainspetroleuminc.com](http://www.southplainspetroleuminc.com)





# SWENSON PROPERTY'S ESTIMATED RESERVES & VALUE

Wells / Lease	Developed Producing Bbls	Developed Nonproducing Bbls	Undeveloped Probable Bbls	Undeveloped Possible Bbls	PV20 Valuation based on a constant \$45.25/Bbl
Swenson A1 and A2 Well	8,405.00				51,000.00
Swenson 17 Upper Swastika / Avis Sand	3,327.00	44,785.00			189,000.00
Swenson 17 Gunsight		10,137.00			170,000.00
Swenson 6, 8 and 14	35,616.00				344,000.00
Swenson 9, 12 and 15		86,223.00			487,000.00
Swenson Acreage Upper Swastika / Avis Sand			1,896,912.00	229,928.00	14,926,000.00
Swenson Acreage Gunsight Lime			445,636.00	89,688.00	9,594,000.00
TOTALS	47,348.00	141,145.00	2,342,548.00	319,616.00	<b>25,761,000.00</b>
<b>Total Bbls Overall</b>	<b>2,850, 657.00</b>				





## KIEKE LEASE ESTIMATED RESERVES & VALUE

Wells / Lease	Undeveloped Probable Bbls	Undeveloped Possible Bbls	PV20 Valuation based on a constant \$45.25/Bbl
Kieke Lower Swastika / Avis Sand	243,384.00		2,365,000.00
Kieke Upper Swastika / Avis Sand	352,347.00		3,366,600.00
Kieke Gunsight Lime	128,688.00		1,862,400.00
<b>Totals</b>	<b>724,419.00</b>		<b>7,594,000.00</b>



## Additional Acquisitions

While the acquisition of the Swenson and Kieke properties from Landmaster was the majority interest in the properties, it was not 100% of the working interest. SPP plans to extend offers to the remaining working interest partners based on the same valuations as paid to Landmaster at a later date.

### Black Gold, Inc.

SPP acquired Black Gold, Inc. a Texas corporation in October 2019. Black Gold, Inc. (BGI) is a Oil and Gas operator which has 7 shut in wells located in Louisiana ranging in depth from 8,000 to 15,000 feet. Third party engineering estimates over 5,100,000 barrels oil and oil equivalent remaining in behind the pipe reserves and that cashflows from these 6 wells could exceed \$1.2 million per month net. This acquisition will essentially more than double the size of SPP immediately.

BGI shareholders are the largest block of shareholders of SPP and they will most likely assume the daily management and operations of SPP as well as the operations of the Louisiana wells while Landmaster remains the operator of the Haskell County, Texas wells on behalf of SPP.





## Black Gold, Inc. Valuations

These reserves are for the 6 existing wells and acreage around them. The wells range in depth from 8,000 to 15,000 feet and have substantial reserves behind pipe. In some cases, deeper pays were abandoned because they began to produce water or would no longer flow natural. While the reserves are impressive, as with any deep well, workover costs will be greater and as such, SPP will only attempt to reactivate 1 of the wells until after its Regulation A+ Offering. Therefore, SPP estimated that Black Gold, Inc. was contributing approximately 1.5 times more reserves than Landmaster Partners, Inc. and therefore 1.5 times more valuation.

Parrish or County	Lease	Oil PUD (MBO)	Gas PUD (BCFG)	Contingent Oil (MBO)	Contingent Gas (BCFG)
St. Martin, LA	Swec. 28 Salt Dome	175			
Evangeline, LA	East Fenris Field	550	10		
Jefferson Davis, LA	Indian Village Field	1,157	8.5		
Jefferson Davis, LA	West Fenton Field			258	5
Jefferson Davis, LA	West Fenton Field			210	1
Jefferson Davis, LA	West Fention Field			409	1.5
Totals		1882	18.5	877	7.5





## Combined Total Reserves of Acquisitions

The table below outlines the estimated oil reserves South Plains Petroleum, Inc. acquired through the acquisitions of Landmaster Partners, Inc. and Black Gold, Inc. properties. Some of the reserves under Oil PUD should be recategorized as Oil Proven Developed Nonproducing as the wells have been drilled and cased, but not actually placed into production at this writing.

Parrish or County	Lease	Oil Proven Developed Producing (MBO)	Oil Proven Developed Nonproducing (MBO)	Oil PUD (MBO)	Gas PUD (BCFG)	Contingent Oil (MBO)	Contingent Gas (BCFG)	Oil Probable (MBO)
St. Martin, LA	Swec. 28 Salt Dome			175				
Evangeline, LA	East Fenris Field			550	10			
Jefferson Davis, LA	Indian Village Field			1,157	8.5			
Jefferson Davis, LA	West Fenton Field					258	5	
Jefferson Davis, LA	West Fenton Field					210	1	
Jefferson Davis, LA	West Fention Field					409	1.5	
Haskell, TX	Kieke	29						704.42
Haskell, TX	Swenson	40	141	2342.6				319.6
<b>Totals</b>		<b>60</b>	<b>141</b>	<b>4224.6</b>	<b>18.5</b>	<b>877</b>	<b>7.5</b>	<b>1024.02</b>



## Management Profiles



# Management Team

A detailed bio description is provided for each team member in following pages.



**Richard A. Quintal**  
President, COO & Director



**Nicolas Boatwright**  
CEO & Chairman of the Board



**Suzanne E. Ruffini**  
Director & Advisor



**Frank Neukomm**  
Secretary, Director & Finance  
Manager

**Paul Revard**  
Advisory Board Member

**Ricardo Rodil, PPM, MBA**  
Advisory Board Member



**Kari Phillips**  
Oil & Gas Engineer, Advisory  
Board Member



## Nicolas Boatwright – CEO

Age 39 - At the age of 20, Mr. Boatwright began working on offshore platforms throughout the Gulf of Mexico, working on drilling rigs and production platforms. Through “hands on experience” his vast knowledge and expertise include but are not limited to deep water drilling, work over and completions, wire line operations, coiled tubing operations and production of oil and gas. Mr. Boatwright has also developed and established his own multi-million corporation, Black Gold, Inc. He has introduced cutting edge technology with an artificial lift product and radial drilling perforations on land based wells; saving companies 50% of their overall expenditures as well as huge gains in well production. Within the last six years of developing and growing Black Gold, Inc., Mr. Boatwright has gained the confidence and business of well known associates and acquaintances worldwide. He has worked with several companies to develop multi-million projects by providing excellent service to maximize profits.

It is anticipated that Mr. Boatwright will become the President and CEO of SPP once the acquisition is completed. SPP’s current management shall remain involved as advisors and operators of some of SPP oil properties.

## Richard A. Quintal - President

Mr. Quintal joined Landmaster Partners, Inc, in 2009 as Vice President where he managed the corporate operations including legal oversights regarding merger candidates, property acquisitions, lease negotiations, title opinions, contracts, attorneys, litigation and finance. His responsibilities also included managing office personnel and day to day operations of the company. Mr. Quintal has worked with several funding groups and oversaw financing of various oil projects. He has an uncanny eye for detail and preparedness for any and all operations and is sure to have asked the question before it was ever thought to come up.





## **Suzanne E. Ruffini – Director & Advisor**

Ms. Ruffini founded Landmaster Partners, Inc. (LMP), a licensed oil well operator in Texas, in 2008 as its sole shareholder, officer and director. Working in a male dominated industry, she has more than held her own. As President of LMP, she became familiar with all aspects of the oil and gas business including State filing requirements, field operations, drilling and completion operations and investor relations. Under her leadership she assembled a team of geologists, well log analysts, petroleum engineers, completion engineers and other professionals to review all her potential prospects whereby she based her decisions. She plans to have her team continue reviewing prospects for SPP and making recommendations.

## **Frank Neukomm – Secretary, Director & Finance Manager**

Mr. Neukomm is a talented senior level executive with a background in finance, insurance, oil and gas and telecommunications. He is skilled at financial structuring and deal negotiation. Since 1995, he has served as President of NeuHaus Advisors, Inc., a boutique merchant banking firm in Houston, Texas, which has helped develop businesses as diverse as energy technologies, telecommunications technologies and industrial services.

Mr. Neukomm currently serves as Chairman and CEO of American Security Resources Corporation and is a director of other small private and public entities. Mr. Neukomm, an alumnus of Southern Methodist University, is an Eagle Scout. He is also a volunteer with the National Council Boy Scouts of America, the Sam Houston Area Council of the Boy Scouts of America and is Scoutmaster Emeritus and Eagle Coordinator of Troop 211 BSA at St. Mark's Episcopal Church in Houston, Texas.



## **Ricardo Rodil, PPM, MBA** **Advisory Board Member**

A highly effective Senior Oil and Gas Executive with more than 18 years of progressive experience in management across various sectors of the energy industry, in the US and internationally. A detail-oriented and diligent leader with a track record of success setting strategic direction, executing to plan, and leading teams to achieve outstanding results in challenging, and fast-paced business environments.

Mr. Rodil's experience includes being Senior Regional Manager In Panama for Halliburton for Latin America, working at C-level in several independent oil companies in Columbia and Mexico. He has numerous certifications and Degrees and is expected to take a leading position in management as the Company grows.

## **Paul Revard, 3<sup>rd</sup> Generation Oil Operator,** **Advisory Board Member**

Mr. Revard is a 3rd Generation oil and gas operator in Oklahoma and Texas. He currently holds 1 of 8 elected positions on the Osage Indian Minerals Council which is empowered to administer and develop over 1.475 million acres of mineral rights covering all of Osage County, Oklahoma. This Mineral Estate is owned by the Osage Tribe of Indians held in trust by the US Federal Government for the benefit of the Osage Headright Owners. As a Member of the Council he interacts with oil and gas companies within the Mineral Estate. He and other Council members have regular communications with officials in Washington DC with the Bureau of Indian Affairs and other Agencies under the US Department of Interior.



## **Kari Phillips – Oil & Gas Engineer, Advisory Board Member**

Ms. Phillips is a versatile and safety-oriented oil and gas engineer with an extensive record of experience in completions, production operations, drilling, production monitoring and optimization, workover procedures, chemical program support, artificial lift optimization, tubing install designs, well troubleshooting, and P&A procedures. Leverages excellent leadership, communication, and organizational skills to work across functions and organizational levels to complete projects. An analytical and resourceful problem solver who develops, optimizes, and executes production and completion procedures to ensure safety and productivity of wells.



## Dividend Fund (As Stated in Corporate Bylaws)

The Corporation shall set up and maintain a separate account entitled “Dividend Account” for paying Dividends to Common Shareholders based upon the following:

- a. When the Corporation receives \$60.00 per barrel of oil and/or condensate sold, 5% of the GROSS revenue from that sale shall be deposited into the Dividend Account;
- b. When the Corporation receives \$3.00 per thousand cubic feet of natural gas (mcf) sold, then 5% of the GROSS revenue from that sale shall be deposited into the Dividend Account;
- c. It is understood that prices for some leases/properties/wells may be different from month to month and cause some leases to contribute while others do not;
- d. The funds in the Dividend Account shall not be used for operations or debt reduction;
- e. The funds in the Dividend Account shall be paid out annually to all Common Shareholders of record with the stipulation that unless a single Shareholder’s check for all shares held totals at least \$1.00, it will not be issued as it would cost the Corporation more to process than what is paid;
- f. The Dividend Fund may only be terminated upon a unanimous vote of all Directors.