



## **HIPTERRA OIL EXPLORATION SERVICES PROPOSAL**

*Confidential, Not for Distribution (NON-BINDING)*

Submitted by: Hipterra, LLC

Prepared exclusively for: \_\_\_\_\_



## 1. Introduction

**Hipterra, LLC** (“Hipterra”) provides advanced, technology-assisted hydrocarbon exploration services.

For more than eight decades, the underlying science behind Hipterra's system has been tested, refined, validated, and applied across thousands of wellbores globally.

*Our proprietary field-based sensing technology, combined with modern machine learning and geospatial modeling, enables operators to directly detect hydrocarbon signatures rather than inferring them from structural data alone.*

Traditional exploration tools — seismic, geology, petrophysics — are powerful but inherently indirect. Hipterra complements these tools by directly identifying subsurface hydrocarbon presence with industry-leading accuracy (>90% in validated studies), reducing dry-hole exposure, enhancing A&D intelligence, and improving overall capital efficiency.

## 2. Why Hipterra

### A. Direct Hydrocarbon Signal Detection

Unlike structural or inferential methods, Hipterra measures changes in the subsurface environment caused by hydrocarbons themselves.

### B. Proven Accuracy

Hipterra's underlying science, validated against **3,000+ wellbores**, consistently demonstrates **>90% accuracy** in identifying hydrocarbon presence.

### C. Reduction of Drilling Risk

Our technology reduces the likelihood of drilling non-commercial wells and enhances certainty around infill development and step-out locations.

### D. Complements, Not Replaces, Traditional Tools

Hipterra integrates seamlessly into existing workflows and supports:

- Seismic interpretation
- Geological mapping
- Reservoir engineering
- A&D valuation
- Lease planning, and more

### E. Client Alignment

Hipterra's pricing model is structured around **performance and aligned incentives** — we win when our operators win.



### 3. Use Cases & Applications

Hipterra supports a wide range of upstream objectives, including:

- **Greenfield Exploration** — identify viable drilling targets in underdeveloped acreage or frontier basins.
- **Reservoir Development Optimization** — improve well spacing, avoid non-productive zones, and optimize drilling inventory.
- **A&D Due Diligence** — rapidly assess asset quality, identify remaining potential, and validate operator claims.
- **Leasehold Strategy** — inform where to expand, consolidate, or exit acreage positions.
- **Re-evaluation of Legacy Fields** — identify bypassed pay or overlooked productive zones.

*All results integrate cleanly into operator geological and reservoir workflows.*

### 4. Case Study (Representative Example)

*(Summarized from Client Overview)*

Hipterra recently completed a comprehensive field analysis on a **41-well development area**. Out of the 41 wells:

- 11 were dry holes
- Hipterra correctly identified **all 11 dry locations**
- Hipterra accurately predicted commercial potential in the remaining producers

This demonstrated the technology's capability to:

- Identify non-commercial zones *before* capital is deployed
- Optimize field development strategies and efficiency
- Validate existing drilling assumptions

### 5. Engagement Process

Hipterra's engagement process consists of the following steps:

- 1. Initial Consultation** — project scoping, pricing proposal, and discussion.
- 2. Master Services Agreement (MSA) Execution** — a Master Services Agreement (“MSA”) is signed once by client and governs all legal terms, including intellectual property, indemnity, insurance, confidentiality, royalty mechanics, and dispute resolution.
- 3. Order Form Execution** — a per-project Order Form is signed for each engagement and locks in project-specific commercial terms (project area, fees, royalty structure, applicable State Law and recording exhibit, deliverables, timeline).
- 4. Field Operations & Interpretation** — mobilization, multi-pass data acquisition, signal processing, anomaly modeling, and ML-assisted interpretation.



**5. Final Deliverables + Client Review** — delivery of shapefiles, KML, GeoJSON, anomaly maps, hydrocarbon Indicator Zones, technical report, and Client review session.

## 6. Scope of Work

Hipterra provides the following services:

### A. Project Planning & Site Preparation

- Coordinate Right-of-Way (ROW) and land access
- Review available subsurface data (optional)
- Establish project footprint and mapping boundaries

### B. Field Deployment

- Mobilize Hipterra's proprietary sensing equipment
- Conduct field sweeps across designated acreage by the most appropriate modality for the terrain — including **vehicle, foot, all-terrain vehicle, helicopter, fixed-wing aircraft, drone, or marine vessel** — to maximize coverage and signal quality
- Ensure environmental and operational compliance

### C. Data Acquisition

- Multi-pass acquisition of subsurface signals
- Quality assurance and data integrity checks

### D. Modeling & Interpretation

- Signal processing and anomaly modeling
- Machine-learning-assisted interpretation
- Subsurface hydrocarbon signature mapping (“Indicator Zones”)
- Macro-mapping (prospect delineation)
- Micro-mapping (drill-planning optimization)

### E. Final Deliverables

- Shapefiles, KML, GeoJSON
- Integrated anomaly map
- Final PDF technical report
- Hydrocarbon Indicator Zones
- Drill-recommendation matrix (if requested)
- Client review session (virtual or in-person)



## 7. Pricing Structure

Hipterra's pricing reflects transparency, scalability, and operator-aligned incentives.

### A. Mobilization & Demobilization

Standard rate: **\$1.75 per mile each direction** (transportation, lodging, equipment setup, field compliance). Project-specific mob/demob fees are set in the Order Form.

### B. Mapping Rates

Service rates vary by terrain, project complexity, and intended outcomes:

- Mapping rates range from **\$2,000 to \$12,000 per square mile**, with lower-resolution macro-mapping on the lower end and high-resolution micro-mapping (drill-planning detail) on the upper end.
- Each project is quoted individually based on acreage, terrain, operational complexity, and desired deliverables.

*A formal written quote will be provided in the Order Form prior to field deployment.*

### C. Royalty / Economic Interest

Hipterra typically receives a two percent (2.0%) **Overriding Royalty Interest (ORRI)** on production from Hipterra-Attributed Wells within the Area of Mutual Interest (“AMI”). Alternative project-specific royalty structures — including **Tiered ORRI**, **Increase-Share** arrangements for rework / recompletion joint ventures, or **Carried Working Interest (CWI)** — may also be used where appropriate and agreed to.

- Royalty applies only to wells whose location, target zone, or development decision was informed by Hipterra-generated Indicator Zones (the **Hipterra-Attributed Well** standard defined in the MSA).
- Royalty mechanics, AMI scope, audit rights, anti-circumvention, and survival are governed by the MSA. Specific percentages and project-area details are set forth in the Order Form.

## 8. Timeline & Project Delivery

- **Project Start:** Within 30 days of executing the Order Form (MSA assumed already in place).
- **Data Acquisition:** Based on acreage size and terrain.
- **Final Deliverables:** Typically 3–6 weeks following field completion.

## 9. Client Responsibilities

Client agrees to:

- Provide site access and Right-of-Way
- Ensure safe operating conditions and disclose known site hazards
- Secure all permits, lease consents, and landowner authorizations
- Coordinate with landowners, ranchers, and leaseholders



- Comply with all applicable laws and regulations

## 10. Interpretation Limitations and Disclaimer

Hipterra's subsurface interpretations are based on environmental signal responses and machine-learning-assisted analysis, and are inherently subject to geologic, geophysical, and operational uncertainty. Results are intended as one input among multiple exploration, geological, geophysical, and engineering tools, and should not be relied upon as the sole basis for any drilling, completion, leasing, capital, or other operational decision.

Hipterra makes no representation, warranty, or guarantee — express or implied — regarding the presence, quantity, quality, recoverability, or commercial viability of hydrocarbons or other minerals; the success or productivity of any well; or the outcome of any exploration, development, or production activity. Any reference to prior projects, accuracy metrics, success rates, or case studies reflects historical results under specific conditions and is not a prediction, representation, or guarantee of future performance.

Client acknowledges that it is a sophisticated party with (or with access to) independent technical, geological, engineering, legal, financial, and operational expertise, and that all final exploration, drilling, completion, leasing, environmental, safety, and regulatory decisions remain solely with Client. Hipterra is not acting as a fiduciary or as a legal, tax, financial, accounting, or engineering advisor to Client.

This Proposal is non-binding. All legal terms governing any engagement between Hipterra and Client are set forth in the Master Services Agreement and the per-project Order Form, including without limitation the limitation of liability and as-is provisions in MSA Article 9.