

## EXECUTIVE SUMMARY



A DISRUPTIVE ENHANCED ENERGY PRODUCTION PROGRAM

# DEEP GREEN ONE

AN ENERGY EXTRACTION QUALIFIED OPPORTUNITY FUND

an **Extraordinary** Qualified Opportunity Zone Fund

CURLETT IP LLC - SPONSOR

“Opportunity Zones will be one of the most transformative engines for economic growth, job creation, and innovation of our time”– Hypothesis Ventures 2018



A DISRUPTIVE ENHANCED ENERGY PRODUCTION PROGRAM

# DEEP GREEN ONE

AN ENERGY EXTRACTION QUALIFIED OPPORTUNITY FUND

A HIGH VALUE CAPTURE - MISSION MOTIVATED - QUALIFIED OPPORTUNITY ZONE PROGRAM

AN OPPORTUNITY TO BECOME AN IMPACT INVESTOR

## EXECUTIVE SUMMARY

**DISCLAIMER:** All forward-looking statements contained in this document, such as statements or inferences regarding how a product, a market or events “will” or “are expected to” exist or perform, represent Curlett IP LLC’s good faith projection of a state of affairs that may exist in the future, based on current information that it believes to be accurate and on assumptions it believes to be reasonable. There is no certainty that future products, operations, markets or events will not develop in ways presently unforeseen by the Company or be affected by factors not presently known to the Company.

### **QUALIFIED OPPORTUNITY FUND**

*The 2017 Tax Cuts and Jobs Act established the Qualified Opportunity Zone program to provide a tax incentive for private, long-term investment in economically distressed communities. As of June 14, 2018, the department certified zones in all 50 states, Washington, D.C., and U.S. territories.*

A Qualified Opportunity Fund per 26 U.S. Code IRC 1400Z (2) means any investment vehicle which is organized as a corporation or a partnership for the purpose of investing in qualified opportunity zone property and holds at least 90 percent of its assets in qualified opportunity zone property. A Qualified Opportunity Fund can invest in the stock of a corporation so long as the corporation being investing in is a Qualified Opportunity Zone business. *Investors in these programs are given an opportunity to defer and potentially reduce tax on recognized capital gains.*

### **DEEP GREEN ONE ENERGY OPPORTUNITY FUND LLC (DGOne)**

The Deep Green One Energy Opportunity Fund LLC (DGOne), has been carefully and specifically designed to fully comply with the current provisions and interpretations of U.S. Government *Qualified Opportunity Fund (QOF) Program*. The Fund will capitalize on the significant potential of a high value business opportunity involving both real estate and innovative proprietary technology to significantly enhance the recovery of oil and gas in tight formations.

The proprietary technology is owned by Curlett IP LLC (CIP) and is known as the Electro-Static Pulse Stimulation Process (EStim). The Electro-Static Stimulation Process will create permeability in tight oil and gas formations and reservoirs that are currently uneconomical to produce using current methods of multi-stage fracking of horizontal wells (MFHW). The result will be greatly enhanced recovery of *in situ* hydrocarbons.

Curlett IP LLC will license the proprietary EStim technology to a broad range of oil and gas production companies domiciled in qualified opportunity zones. The DGOOne Qualified Opportunity Fund will invest in these qualified businesses licensed to use the EStim technology to recover the oil and gas from tight formations that are currently uneconomical to produce.

The DGOOne Program has been designed and integrated to expressively set it apart from other QOF programs by providing the following exceptional benefits, when successful:

- a) Each Capital Gains dollar invested can be deferred under the current QOZ rules
- b) Each Capital Gains dollar invested will pay no out-of-pocket capital gains whatsoever
- c) Each Capital Gains dollar invested will be provided a dollar for dollar of Flow Through Expense Deduction<sup>1</sup>
- d) Each Capital Gains dollar invested is anticipated to yield significant early and sustainable cash flow
- e) Each Capital Gains dollar invested is anticipated to yield significant and progressive valuation increases

## **INNOVATIVE ELECTRO-STATIC STIMULATION TECHNOLOGY**

An emerging, proprietary and economically disruptive breakthrough technology known as the Electro-Static Pulse (ESP) stimulation technology. The ESP stimulation technology will be applied as the EStim Process. The EStim Process is a radical improvement over an emerging niche of oil and gas well “remediation” class of low energy density ESP formation stimulation technologies<sup>2,3</sup>.

The EStim Process has been designed to provide an unprecedented increase in the amount of downhole electrical energy available to drive the game-changing potential of the operational breakthrough of the EStim Process. The ability of the EStim System to deliver, heretofore unprecedented levels of downhole electrical energy, provides the critical threshold for greatly enhancing the efficacy of generating oil and gas formation matrix permeability and inducing a formation fluid overpressure condition that, in combination, is expected to result in a significant increase in the recoverable quantities of oil and gas production<sup>4</sup>.

Additionally, the EStim Process provides an enormous step in “Going Environmentally Green” in that EStim Process does NOT utilize any water, chemicals nor proppant, as is necessary in the current practice of hydraulic

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<sup>1</sup> A limited supply of flow through expense deduction will be applied on a first-come, first-served basis until the flow through expense deductions are no longer available. These flow through expense deductions are derived from a combination of the aggregate QOZBusiness’s research and general expense deductions are also subject to certain passive investment tax criteria.

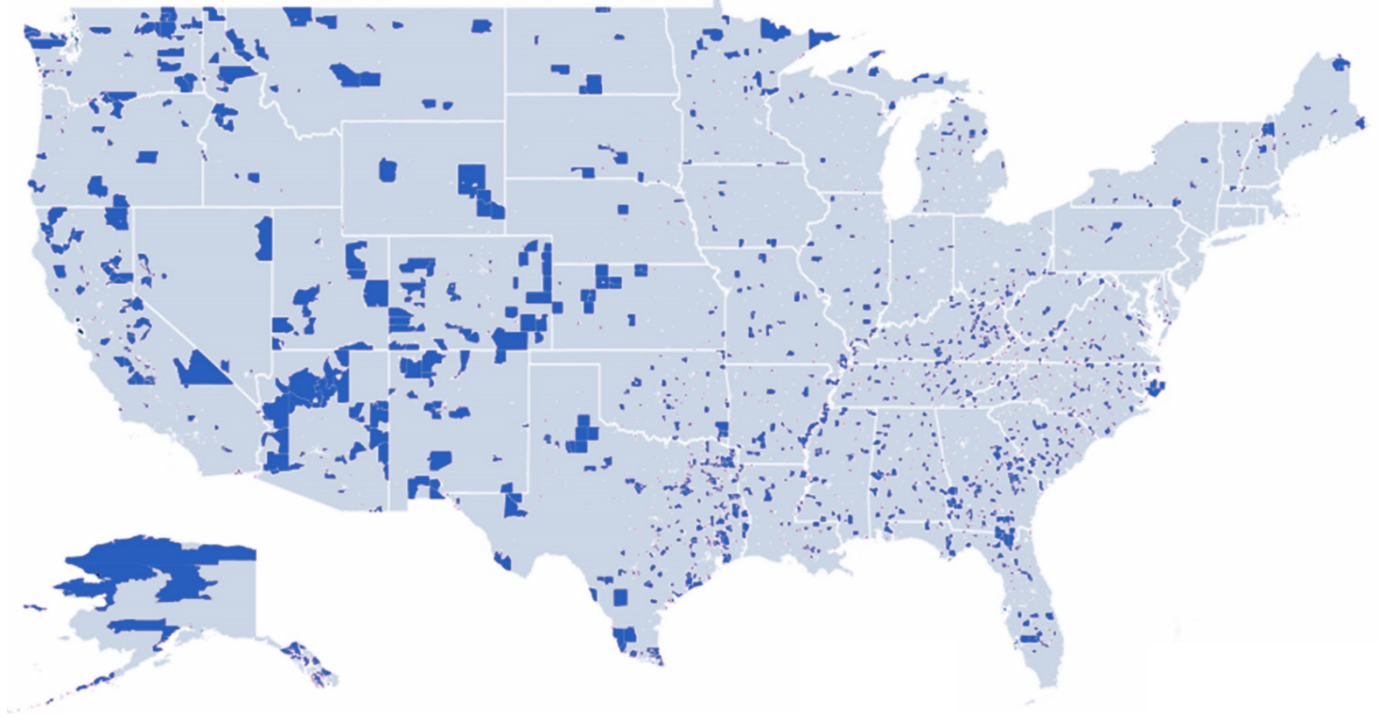
<sup>2</sup> Blue Spark Energy Inc. - [www.bluesparkenergy.com](http://www.bluesparkenergy.com)

<sup>3</sup> Propel Technologies Group - <https://oilandgasinsider.com/?p=276>

<sup>4</sup> Restimco Limited, an Alberta, Canada based CIP Affiliate of the DGOOne Fund Sponsor - [www.restimco.ca](http://www.restimco.ca)

fracturing. Thus, the EStim Process provides an important radical environmental step-change improvement in the stimulation process that is essential for oil and gas production.

Uniquely and importantly, the EStim Process is expected to be universally applicable to any “basin scale” oil and gas prospective regions, independent of lithology. Therefore, the relatively universal applicability of the EStim Process provides a very broad geographical range of QOZ sites throughout the United States that QOZBusiness can be licensed to operate in.



There are approximately 8,700 Qualified Opportunity Zones spread throughout the USA. There may be as many as 50% - 65% Of these Qualified Opportunity Zones that are potentially hydrocarbon prospective thereby providing a potentially huge scale of opportunity.

## QUALIFIED OPPORTUNITY ZONE BUSINESS DEVELOPMENT

### DEEP GREEN ONE ENERGY OPPORTUNITY FUND

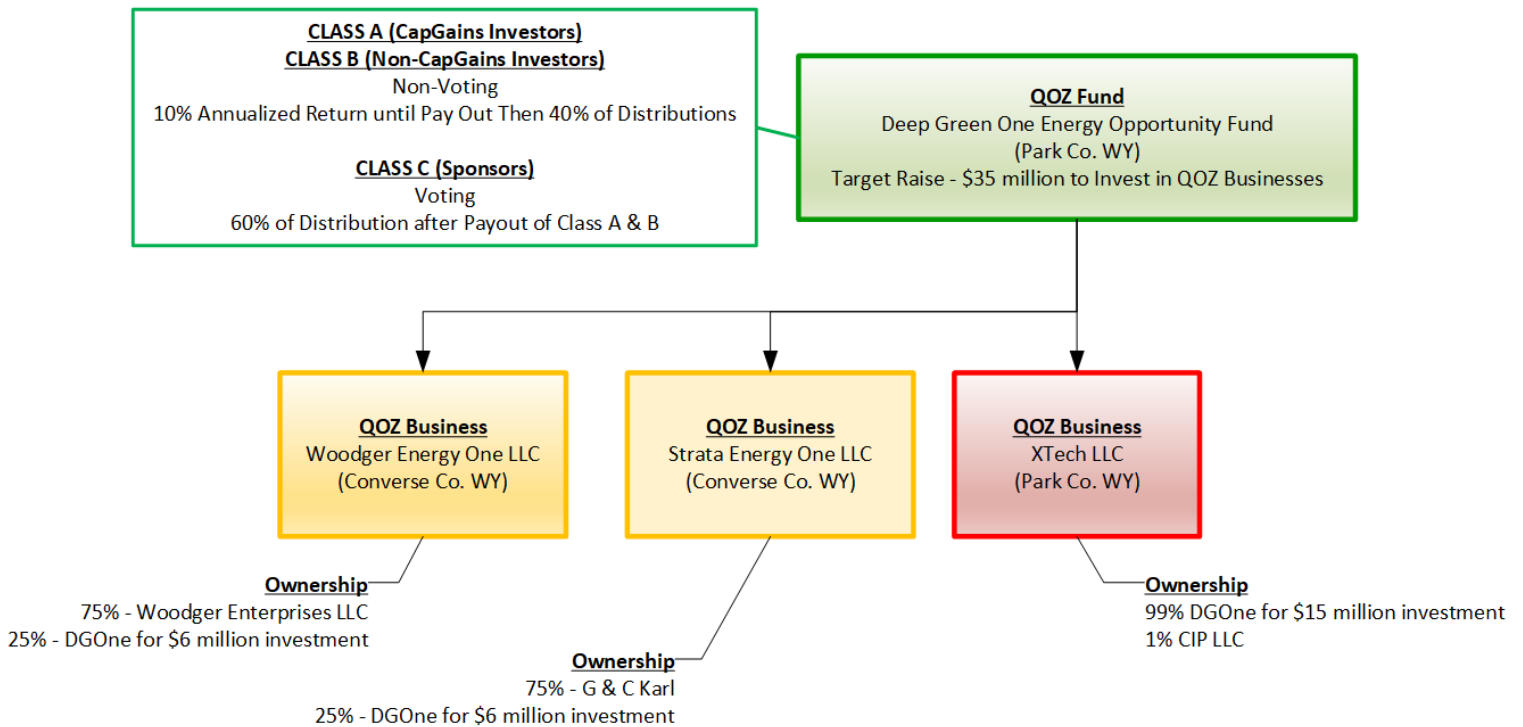
■ QOZ Opportunity Fund

#### O&G Formation Stimulation Technology

■ QOZ Business - EStim Technology Development Program

#### O&G Production Program

■ QOZ Businesses - EStim Oil and Gas Production Program



### Phase I:

#### **EStim System Fabrication, Field Demonstration and Manufacturing:**

The DGOOne will invest in XTech LLC, a discrete QOZ Business dedicated to the fabrication, field demonstration and manufacturing of the EStim Equipment. XTech LLC will hold a Technology Development and Manufacturing License granted by Curlett IP LLC. XTech LLC will be a singularly focused EStim Technology Development business, and as such will provide the ability to flow through a significant level of Research Expense Deductions early in the DGOOne Funding Program.

### Phase II:

#### **Oil and Gas Production Program Investment:**

The DGOOne will invest in two existing QOZ Businesses: 1) Strata Energy One LLC (SEOne) and 2) Woodger Energy One LLC (WEOne). These two QOZ businesses will be the first oil and gas production companies licensed to use

and apply the EStim proprietary technology for oil and gas production within a QOZ. These two businesses will provide both the initial source of sustainable cash flow and the increase in equity valuation.

The SEOne and WEOne Oil and Gas Production Developments will be located in Converse County, Wyoming within what is known as the Powder River Basin region. The Powder River Basin is a large region of known stacked geological formations that are highly oil and gas prospective.

Subsequently, a very broad range of oil and gas production QOZ Businesses located throughout the U.S. would be able to purchase a license to apply the EStim Process and thereby qualify for a DGOOne investment. As the program subsequently expands throughout the country, the SEOne and WEOne Programs would provide the initial “Type Model” for the DGOOne QOZ Oil and Gas Production Business development programs that would be progressively funded over time.

***ILLUSTRATIVE* Oil and Gas Production Program Investment Model:**

The DGOOne Fund will invest in two (2) existing QOZ Businesses SEOne and WEOne. To provide an ILLUSTRATION of the potential significance and magnitude of each QOZ Production Program Business, Table 1 *illustrates* the potential metrics for the SEOne EStim development program within Converse County, Wyoming.

Table 1 also provides a “Type Model” *illustration* of a typical nine (9) section EStim licensed oil and gas production development program that may be illustrative of incremental growth of additional follow-on QOZ EStim based Production Program investments.

Table 2 *illustrates* the potential cash flow and value increase metrics resulting from a potential DGOOne investment in the SEOne QOZ business. As one can see from the modeled *illustrations*, each investment in an additional EStim licensed QOZ Business would be expected to provide similar cash flow and value capture metrics on an additive basis.

To **illustrate** the fundamental potential value capture opportunity of a single QOZBusiness Oil and Gas Production Development Program, the following **Pro Forma Illustration** is an **Illustrative Only** EStim Leveraged Oil and Gas Production “Type Model”<sup>5</sup>.

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The following Table 1 provides an **ILLUSTRATIVE** “Type Model” Summary of the potential metrics for an EStim Oil and Gas Production Development Program within a single Nine Section Unit Lease Program within Converse County, Wyoming. This “Type Model” Pro Forma is for **ILLUSTRATIVE** purposes only to characterize the scope and significant potential for EACH of the proposed DGOOne equity purchases of Strata Energy One LLC and Woodger Energy One LLC.

Strata Energy One QOZBusiness - <b>ILLUSTRATIVE</b> Pro Forma (x 1,000)											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Annual Revenue	0	83,672	960,750	1,953,000	2,268,000	2,268,000	2,268,000	2,268,000	2,268,000	2,268,000	2,268,000
Annual Expenses	3,349	65,899	378,313	674,557	691,430	691,430	691,430	691,430	691,430	691,430	691,430
Annual EBITDA	(3,349)	17,773	582,437	1,278,443	1,576,570	1,576,570	1,576,570	1,576,570	1,576,570	1,576,570	1,576,570
Annual Membership Distributions	0	17,667	580,082	1,273,317	1,570,256	1,570,256	1,570,256	1,570,256	1,570,256	1,570,256	1,570,256
Cummulative Cash (After Distributions)	6,488	6,594	8,949	14,076	20,390	26,704	33,018	39,332	39,332	45,646	51,961
Annual Distributed Cash (10% Investor)	0	1,767	58,008	127,332	157,026	157,026	157,026	157,026	157,026	157,026	157,026
Cummulative Distirbuted Cash (10%)	0	1,767	59,775	187,107	344,132	501,158	658,183	815,209	972,235	1,129,260	1,286,286

**Table 1**

The following Table 2 provides an **illustrative** characterization of the potential economic benefits that would flow to the DGOOne from a purchase of a 25% equity investment in a QOZBusiness as illustrated in the “Type Model” Pro Forma above in Table 1.

DGOOne Annulaized Cash Flow from QOZBusiness Distributions - <b>ILLUSTRATIVE</b> Pro Forma (x 1,000)											
	EOY-01	EOY-02	EOY-03	EOY-04	EOY-05	EOY-06	EOY-07	EOY-08	EOY-09	EOY-10	EOY-10
Derivative Cash Flow	0	20,918	240,188	488,250	567,000	567,000	567,000	567,000	567,000	567,000	567,000
Derivative Equity FMV	(837)	22,216	728,047	1,598,054	1,970,713	1,970,713	1,970,713	1,970,713	1,970,713	1,970,713	1,970,713

**Table 2**

<sup>5</sup> Please contact DGOOne management to provide underlying assumptions and modeling of the "Type Model".

## IN SUMMARY,

The DGOOne Program provides a highly tax incentivized program designed to capitalize on the application of an emerging disruptive oil and gas production stimulation technology within a known oil and gas developmental region.

The DGOOne Program is expected to yield significant cash flow and long-term value capture within the scope of Qualified Opportunity Zone Program rules. The DGOOne Program generally mitigates the investment risk potential associated with the EStim System build, testing, demonstration and initial application, while providing the potential for a significant and sustainable investment upside.

Please contact the DGOOne management for additional information including:

- a) EStim Technology presentation
- b) Converse County, Wyoming Nine Section EStim Development Program “*Illustrative*” Pro Forma assumptions and model
- c) Additional details on the DGOOne program

### **DGOOne Program Participating Entity Managers Contact information**

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**DGOOne** – Qualified Opportunity Zone Fund President:

Dr. James Denito – 214.935.3662 Ext:105 | [James.Denito@deepgreenone.com](mailto:James.Denito@deepgreenone.com) | [www.deepgreenone.com](http://www.deepgreenone.com)

**Strata Energy One LLC** - SEOne LLC QOZ Business Managing Member:

Mr. Greg Karl – 406.633.3030 | [greg@strataenergy.us](mailto:greg@strataenergy.us) | [www.strataenergyone.com](http://www.strataenergyone.com)

**Woodger Energy One LLC** - WEOne LLC QOZ Business Managing Member:

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DEEP **GREEN** ONE  
ENERGY OPPORTUNITY FUND LLC

AN **EXTRAORDINARY** QUALIFIED OPPORTUNITY ZONE FUND

DEEP - Disruptively Enhanced Energy Production – “Foundational Business Proposition”

GREEN - Radical Advancement in Reduced Environmental Impact - “Going Green”

ONE - First to “Eliminate Capital Gains” Tax PLUS provide “Research Expense Deductions”

ENERGY - High Value Capture Oil and Gas Production – “Significant Cash Flow & Value Build”

OPPORTUNITY – “Radical Tax Leveraged High Value Capture Program”

FUND - Qualified Opportunity Zone Fund Program – “Fully Compliant”