



Allied Summary



Rich Tabaka | President

Third quarter has exited and fourth has begun, bringing weather that's better for getting things done at our drilling locations. But record rain during the third quarter didn't deter us. Here's a sample of what we accomplished:

- *Custer Valley #1 readied for spudding.*
- *Secured Kansas licensed and bonded operator status.*
- *Hired multi-talented geologist who can handle reservoir evaluation and production.*
- *Obtained the best lease that fits our growing geographic footprint.*
- *Shot 3-D seismic in Gove County, Kansas to confirm lease spudding locations.*
- *Ongoing negotiation for drilling rig to support our goal of becoming vertically integrated.*

We could expand each bullet point into several paragraphs, but that isn't necessary for you to see that we've been busy building Allied into what it's supposed to be: the premier independent oil and gas company leading the way for what today's smart investors expect.

We've also paid attention to the latest Middle East turmoil. We won't speculate what will happen short term, but it strengthens a conviction we share with many industry experts: the importance of America's domestic oil and gas will continue growing. It offers the most reliable, most stable source of energy. And for Allied and its partners, that's a long-term source of investment opportunities.

Thank you for being with us. Please read our Newsletters, visit our Website, or call our Director of Business Operations, Kelsy Silvio, at 303.728.9923 if you would like more information on anything described above.

Sincerely,



Rich Tabaka
President | Allied Resource Partners

Project Summary



Buresh 17-1HM:

The well was turned online August 17th. While we were still in the testing phase, we have sold a total of 10 loads since production began. We are excited for this project because the oil cut is increasing and we are anticipating selling 15-25 loads per month. This project is looking like its going to be a huge success.



Custer Valley #1:

We are anticipating beginning work in the next 30 days. This is our first well on 1,240 acres and we are excited to continually develop the lease.

Topic of Interest | 3-D Seismic

3-D Seismic is the “State-of-the-Art” technique for estimating reservoir reserves and spudding locations. The technique is a marriage of hi-tech computer analysis and onsite geology that gives a window into what’s beneath the surface. Only trained O&G professionals know how to read the computer output, but every smart O&G investor should know the basics. Since you are one of them, you should enjoy reading our summary:

What is 3-D Seismic?

It is a technique for picturing what’s below the surface. A seismic crew places in a parallel-perpendicular grid pattern on the ground a set of signal collectors called geophones. The collectors are called hydrophones when searching offshore.

The engineers calculate distance and spacing. After that, a thumper truck – it’s called a seismic vibrator or vibroseis truck–drives around, striking a large weight in different locations on the ground to generate seismic waves that flow into the ground and then are reflected back by underground geologic structures and picked up by sensors that send signals to computers.

The structures we’re looking for are rock formations containing oil and gas. The computer software draws on a computer screen, or on graph paper, a three-dimensional image of rock formations. And please remember, the oil is not in an underground pool. Rather, it is trapped in tiny pores found in the reservoir rock. The enormous underground pressure forces the oil from the microscopic pores into the wellbore.

How does the technology work?

Most people have heard about SONAR, which is an acronym for sound navigation ranging, and RADAR, which stands for radio detection and ranging. For our discussion, we focus on sound waves sent into the ground. They carry sound energy that will reflect off different boundary layers in the Earth. Different layers have different characteristics, such as hardness, density, porosity, electromagnetic conductivity and resistance, and so on and so forth. The layers containing oil and gas have different characteris-

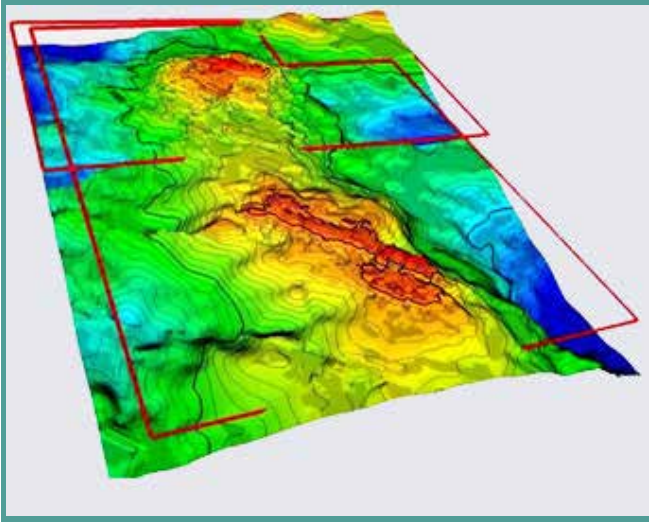
tics than the layers enclosing them. And when sound waves cross a boundary to layers containing hydrocarbons, they get reflected back to the geophones that pick up the signals and transmit them to a computer. Even the best geologists can’t interpret the raw data, but the software can. It knows what patterns pick up oil and gas reservoirs.

Twenty years ago we had 2-D Seismic. It used only one line of geophones that picked up reflected sound waves. It gave a two-dimension cross section of what was below the line. As American Oil Patch technology – it leads the world – progressed, it added an entire series of parallel geophone lines. That is 3-D Seismic. The end result is a picture of what’s inside a volume of Earth. You’ll also hear about 4-D, where the fourth dimension is time.

How does the technology work? (Cont'd)

The idea is pretty much what you'd expect. You shoot the 3-D Seismic over a period of time. The results can help petroleum engineers optimize production rate and determine when and where workover can help boost production. And all this can reduce lease operating expenses and boost our bottom line, which we share with our partners.

How does Allied Resource Partners use 3-D Seismic?



We partner with the best consulting petroleum geologists and engineers. They are the experts. We use their recommendations to do what our management team does best: run Allied Resource Partners the way today's oil and gas investors expect. Our newly hired geologist will coordinate this precision technology. And all this can reduce lease operating expenses and boost our bottom line, which we share with our partners. So there you have it: 3-D Seismic basics, more than enough for a smart oil and gas investor. But if you wish to know more, please watch YouTube videos or call us. Either way, the more you know the better prepared you are when considering oil and gas investments.

Rich Tabaka, President of Allied Resource Partners, met with Lockhart Geophysical before our 3D seismic shoot in Gove County, KS.



3D thumper trucks (weight-drop) used to provide a seismic source at the site.



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