

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 333-232845

COJAX OIL and GAS CORPORATION

(Exact name of Registrant as specified in its charter)

Virginia

(State or other jurisdiction
of incorporation or organization)

46-1892622

(I.R.S. Employer
Identification No.)

**3033 Wilson Boulevard, Suite E-605
Arlington, Virginia**

(Address of Principal Executive Offices)

22201

(Zip Code)

(703) 479-8538

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
None	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$0.01 par value per share

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a small reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” or an “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging Growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the Registrant’s most recently completed fiscal quarter is \$3,468,087.

On November 17, 2023, there were 9,315,902 outstanding shares of common stock of the Company.

DOCUMENTS INCORPORATED BY REFERENCE

None.

CoJax Oil and Gas Corporation
Form 10-K
For the Fiscal Year Ended December 31, 2022

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FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements. Forward-looking statements reflect the current view about future events and are based on our current expectations and assumptions regarding our business, potential target businesses, the economy, and other future conditions. Such statements include, among others, statements regarding our business growth strategy, our plans, objectives, expectations, and intentions, our future operating results, the competitive nature of the industry in which we will conduct our business, crude oil and natural gas commodity prices, demand for oil, the effects of government regulation and changes in that regulation, the effect of new technology on oil exploration and production and our ability to acquire and use that technology, our ability to maintain effective information technology systems and guard against cyber-attacks or hacking, the ongoing effect of Covid-19, our ability to obtain permits, approvals, and authorizations from governmental and third parties, planned acquisitions and future capital expenditures, our ability to service our debt obligations, financial strategy, liquidity or capital required for our ongoing operations and acquisitions, and our ability to raise additional capital to acquire and expand oil drilling and production and to fund overhead. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section entitled “**Risk Factors**” of this Annual Report. All forward-looking statements speak only as of the date of this Annual Report. Except to the extent required by law, we undertake no obligation to update or revise any forward-looking statements, or other information contained herein, whether as a result of new information, future events, a change in events, conditions, circumstances, or assumptions underlying such statements, or otherwise.

Our forward-looking statements are generally accompanied by words such as “may,” “should,” “expect,” “believe,” “plan,” “anticipate,” “could,” “intend,” “target,” “goal,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other similar expressions. Any forward-looking statements contained or incorporated by reference in this Annual Report speak only as of the date on which we make them and are based upon our historical performance and on current plans, estimates, and expectations. Forward-looking statements contained or incorporated by reference herein include or may include, but are not limited to, statements about:

- our business strategy;
- our plans, objectives, expectations, and intentions;
- our future operating results and future operating results of Barrister as a wholly-owned subsidiary of CoJax;
- the competitive nature of the industry in which we will conduct our business;
- crude oil and natural gas commodity prices;
- demand for oil;
- the impact of adverse weather conditions and unexpected events like the COVID-19 pandemic and other pandemics or epidemics;
- the effects of government regulation and changes in that regulation;
- legal proceedings, liability claims, and effect of external investigations;
- the effect of a loss of, or the financial distress of, one or more key customers of our future, proposed oil production;
- once we start operations, our ability to obtain or renew customer or supply contracts;
- once we start operations, the effect of a loss of, or interruption in operations of, one or more key vendors, suppliers or contractors;
- our ability to maintain the right level of commitments under any future oil supply agreements;

- the market price and availability of materials or equipment;
- the impact of new technology on oil exploration and production and our ability to acquire and use that technology;
- our ability to employ or engage as contractors a sufficient number of skilled and qualified workers and to retain key management;
- our ability to obtain permits, approvals, and authorizations from governmental and third parties;
- planned acquisitions and future capital expenditures;
- our ability to maintain effective information technology systems and guard against cyber-attacks or hacking;
- our ability to maintain an effective system of internal controls over financial reporting;
- our ability to service our debt obligations, including the debt assumed in connection with the acquisition of Barrister;
- financial strategy, liquidity or capital required for our ongoing operations and acquisitions, and our ability to raise additional capital to acquire and expand oil drilling and production and to fund overhead;
- When and if our common stock is publicly traded, then the market volatility of our stock; and
- The impact of the acquisition of Barrister and the debt assumed in said acquisition.

We caution you that the foregoing list may not contain all of the forward-looking statements made or incorporated by reference in this Annual Report. You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section entitled “Risk Factors” in this Annual Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained or incorporated by reference herein. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made or incorporated by reference in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made or incorporated by reference in this Annual Report to reflect events or circumstances after the date hereof, respectively, or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

COMMONLY USED ABBREVIATIONS AND DEFINED TERMS

Unless otherwise indicated or the context requires otherwise, the terms “Company,” “we,” “us,” and “our,” refer to CoJax Oil and Gas Corporation, a Virginia corporation, and its wholly-owned subsidiary, Barrister Energy, L.L.C., a Mississippi limited liability company (“Barrister”). In addition, below are

abbreviations and definitions of certain terms used in this Annual Report commonly used in the oil and natural gas industry:

- **“ARO”** means asset retirement obligation;
- **“Barrister”** means Barrister Energy, L.L.C., a privately held Mississippi limited liability company.
- **“Barrister Oil Rights”** means the crude oil and natural gas exploration and production leases and rights owned or controlled by Barrister (as more fully described under “Business – Barrister Oil Rights” below). Barrister does not own the underlying real property;
- **“Btu”** means one British thermal unit, the quantity of heat required to raise the temperature of a one-pound mass of water by one degree of Fahrenheit;
- **“Basin”** means a large natural depression on the earth’s surface in which sediments generally brought by water accumulate;
- **“Commission”** or **“S.E.C.”** means the U.S. Securities and Exchange Commission;
- **“Completion”** means the process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas or oil, or in the case of a dry hole, the reporting of abandonment to the appropriate agency;
- **“COP”** means Central Operating, L.L.C., a Mississippi limited liability company
- **“Deep drill well”** or **“deep drilling rig”** means a drilled oil well approximately 10,000’ deep or a drilling rig capable of drilling to depths of approximately 10,000 feet or more;
- **“Developed acreage”** means the number of acres that are allocated or assignable to productive wells or wells capable of production;
- **“Exchange Act”** means the Securities Exchange Act of 1934, as amended.
- **“Field”** means an area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formations;
- **“Formation”** means a layer of rock that has distinct characteristics that differ from nearby rock;
- **“Gas”** means natural gas;
- **“Gulf States Drill Region”** means the area(s) where oil and gas leases, drilling, and production rights, are located in the Smackover Trend. The Smackover Trend extends from Texas to the Florida Panhandle along the Gulf Coast Region – both onshore and offshore. The Smackover Trend is a major oil and gas production formation in the Gulf States and the principal source of oil and gas. Like the Persian Gulf, the Smackover Trend was rock stratum formed by deposits from warm ocean waters covering the carbonate-evaporite basins in the southern Gulf States Region during the Upper Jurassic Period;
- **“Horizontal drilling”** means a drilling technique used in certain formations where a well is drilled vertically to a certain depth and then drilled at a right angle within a specified interval;
- **“Mcf”** means one thousand cubic feet of natural gas;
- **“MMBtu”** means one million Btu;
- **“MMcf”** means one million cubic feet of natural gas;
- **“Oil”** means crude oil that has not been refined or processed;
- **“Productive well”** means a well that is found to be capable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of the production exceed production expenses and taxes;
- **“Prospect”** means a specific geographic area which, based on supporting geological, geophysical, or other data and also preliminary economic analysis using reasonably anticipated prices and costs, is deemed to have the potential for the discovery of commercial hydrocarbons;

- **“Recompletion”** means the process of re-entering an existing wellbore that is either producing or not producing and completing new reservoirs in an attempt to establish or increase existing production;
- **“Reservoir”** means a porous and permeable underground formation containing a natural accumulation of producible oil and/or natural gas that is confined by impermeable rock or water barriers and is separate from other reservoirs;
- **“Resources”** means quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations;
- **“Securities Act”** means the Securities Act of 1933, as amended;
- **“Smackover Trend”** means a regional boundary where the Smackover formation exists below the surface of the ground.
- **“Spacing”** means the distance between wells producing from the same reservoir. Spacing is often expressed in terms of acres, e.g., 40-acre spacing, and is often established by regulatory agencies;
- **“Unit”** means the joining of all or substantially all interests in a reservoir or field, rather than a single tract, to provide for development and operation without regard to separate property interests. Also, the area covered by a unitization agreement;
- **“Working interest”** means the right granted to the lessee of a property to explore for and to produce and own natural gas or other minerals. The working interest owners bear the exploration, development, and operating costs on either a cash, penalty or carried basis.

PART I

ITEM 1. BUSINESS

We are an early-stage development oil and gas company seeking to become an independent energy company focused on the acquisition and subsequent exploitation and development of crude oil in the Gulf States Drill Region, including acquisition of hydrocarbon revenues and underlying oil and gas exploration and production rights. We believe that we can establish a profitable niche in crude oil production due to the quality of the light sweet crude oil produced from the Gulf States Region, which is cheaper to refine than crude oil from other regions of the U.S. and Canada.

The Company was incorporated in the Commonwealth of Virginia on November 13, 2017, and started its operations on November 17, 2020, upon an acquisition (the “Barrister Acquisition”) of all outstanding capital of Barrister, including all of Barrister’s crude oil and natural gas exploration and production leases and rights owned or controlled by Barrister. In consideration for the Barrister Acquisition, the Company issued 3,650,000 shares of the Company’s common stock, \$0.01 par value per share (the “Common Stock”) to the members of Barrister and the assumption of Barrister’s debt obligations to Central Operating, LLC (“COP”) in principal amount of \$2,700,000 (the “Assumed Debt”) under the Purchase and Sale Agreement and the related secured promissory note (the “Note”), each dated as of June 1, 2019. On November 16, 2021, the Company and COP entered into a debt exchange agreement (the “Debt Exchange Agreement”), pursuant to which, COP fully discharged the Company from the obligation to repay the Assumed Debt in exchange for the issuance of 1,350,000 shares of Common Stock to COP. Currently we are producing very limited crude oil production from limited oil drilling operations as a result of the Barrister Acquisition. It is insufficient to cover our operating expenses or to fund establishing new oil drilling rigs or increased drilling.

Recent Developments

On September 27, 2022, the Company dismissed Haynie & Company PC (“Haynie”) as the independent registered public accounting firm engaged to audit the Company’s financial statements. Haynie had served as the Company’s independent auditor since January 2019. Haynie’s dismissal was approved by the Company’s board of directors as of such date. Effective as of September 30, 2022, the Company engaged Sadler, Gibb & Associates, LLC (“Sadler Gibb”), as the Company’s independent registered public accounting firm, to audit the Company’s financial statements for the fiscal year ending December 31, 2022, in accordance with the U.S. federal securities laws and the applicable SEC rules and regulations and the Public Company Accounting Oversight Board (“PCAOB”).

On November 8, 2022, the Company, through Barrister, its wholly-owned subsidiary, acquired from Taxodium Energy, LLC, a Mississippi limited liability company (“Taxodium”), 100% ownership, right, title and interest in certain properties located in Mississippi and Alabama, including all oil and gas leases, interests, royalties, overriding royalties, subleases, fee estates, net profits interest, and carried interests (collectively “NONOP Assets”) pursuant to the Assignment, Bill of Sale and Conveyance, dated October 31, 2022, executed by Taxodium (the “NONOP Assignment”). In consideration of the acquisition of NONOP Assets, the Company issued 1,600,000 shares of the Company’s Common Stock to all members of Taxodium in proportion to their interest in Taxodium. This transaction became effective on October 1, 2022, for accounting purposes, based on when the Company obtained control of the acquired assets. A copy of the NONOP Assignment is attached to this Annual Report as Exhibit 10.2.

On December 2, 2022, the Company, through Barrister, acquired from Taxodium a 100% ownership, right, title and interests in additional properties located in Mississippi, including certain wells, facilities, the oil gas and mineral leases, together with all surface and subsurface and all operating rights, working interest, and net revenue interest arising out such leases and rights (collectively “Buckley Assets”) pursuant to the to the Assignment, Bill of Sale and Conveyance, dated December 2, 2022, executed by Taxodium and Barrister (the “Buckley Assignment”). In consideration of the acquisition of Buckley Assets, the Company issued to members of Taxodium an aggregate of 1,500,000 shares of its Common Stock, valued at \$2.00 per share, in proportion of their ownership interest in Taxodium. The Buckley Assignment became effective on October 15, 2022, for accounting purposes, based on when

the Company obtained control of the acquired assets. A copy of the Buckley Assignment is attached to this Annual Report as Exhibit 10.3.

While the Company acquired these new properties, including drilling wells, currently, these wells have very limited productions, not sufficient to for the Company to become profitable.

Our Growth Strategy

The Company is seeking underexploited oil leases and rights in the Gulf States Drilling Region with reserve reports and one or more drilling rigs, even if exploratory or not deep drilling rigs, which taken together indicate that the oil leases and rights have potential, substantial oil production capability – substantial for a small independent oil production company. Our long-term goal is to create shareholder value by identifying and assembling a portfolio of low-risk assets with attractive economic profiles. Our ability to implement our business plan is subject, in part, on our ability to timely raise adequate and affordable funding from investors or lenders for establishing deep drilling rigs. Our first acquisition was Barrister, followed by the acquisition of NONOP Assets and Buckley Assets in the fourth quarter of 2022. Now we need to raise sufficient working capital to establish deep drilling rigs in these acquired oil and gas leases and rights.

Generally, the oil fields in the southern part of the Gulf States Drilling Region are less expensive to drill due to the nature of rock strata and the depth of the oil reserves. The Company will seek acquisitions that can be obtained for stock or other securities or under an earn-out arrangement and prefers acquiring companies that hold oil leases and rights rather than acquiring individual oil leases and rights, preferable the targets with several oil leases and rights as opposed to acquiring individual oil leases and rights. The acquisition of a company has the perceived advantages of acquiring several oil leases and rights and existing drilling operations with in-place management in a single transaction along with possibly reduced due diligence costs and more expeditious closing of the transaction.

Our teaming approach is also designed to facilitate rapid growth by bringing necessary expertise into operations from available contractors. Our ability to realize profitability from oil production also depends on the success of deep drill wells, engaging necessary operations expertise, and market price for crude oil remaining at attractive per-barrel levels, which we believe is \$60 or more per barrel. If we have adequate funding and/or sufficient cash flow, then we may seek to drill for oil in other assignee or leasehold interests or, alternatively, in oil and gas assignee or leasehold interests or properties owned by our potential affiliates or teaming partners. Through established networks of contacts, the Company markets its crude oil production, whether current or future, on a month-to-month basis.

If the production of oil increases from the properties in which the Company obtain its oil rights, the Company will have to expand the marketing efforts by engaging a person or firm to seek out new customers for the oil production in case the current customer base is unable or unwilling to purchase increased oil production. The cost means and extent of any enhanced future marketing effort will depend on the amount of increased oil production, the then-current market for oil, and the potential customer base for the oil production. If the existing customer base will not purchase increased oil production, then the engagement of a dedicated marketing person who engages in direct marketing, by telephone and internet, of potential customers for oil production may be required for the sale of any future increase of oil production.

Competitive Strengths

Use of Contractors

The Company utilizes experienced contractors, including former members of Barrister, with significant prior experience in oil and gas production in the Gulf States Drilling Region in the initial phases of implementing the business plan. The Company believes that the use of these contractors is the most efficient and cost-effective means of operations for a small independent oil and gas production company and is designed to allow the Company to use

experienced oil drilling and production personnel without the high overhead costs of hiring personnel as employees of the Company. Currently, we engage COP and Taxodium as our contractors to operate the limited oil and gas production drilling and storage operations for the Company Oil Rights and to manage the Company's drilling operations. They have extensive experience with operations and administration in an independent oil and gas production company and rely on contract operators to provide experienced personnel to handle all essential crude oil production on a day-to-day basis for the Company. With adequate funding, the Company intends to employ this teaming model strategy to help attract and retain experienced oil industry engineering and production personnel to identify drill sites and then efficiently operate those wells to produce oil at an above-average industry rate of efficiency in the Gulf States region.

Competition

The Company competes with many large, medium, and small-sized competitors in the Gulf States Drilling Region (including off-shore drilling in the Gulf of Mexico) and adjacent areas which have extensive operational histories, experienced oil and gas industry management, established market share, profitable operations, and extensive potential oil and gas fields or leases to exploit and the cash or funding resources to explore new oil and gas fields as well as acquire mature fields. [There is also an established oil and gas production industry in northern Alaska and in North Dakota and western Canada (where fracking has made available significant oil and gas reserves in shale formations).

The Company has a very limited history of its business operation and is not able to match the resources, whether financial, technical, manpower, size of proven crude oil reserves, and distribution channels, of its competition in the Gulf States Drilling Region or elsewhere. The Company's current oil production is not sufficient to concern or attract the attention of competitors, which allows Barrister to operate as a small provider of oil without competitive pressures. If we significantly increase oil production, we will face increasing competition from other small independent oil producers selling limited amounts of oil. Any increase in competitive pressures will require investment in a full-time marketing effort by the Company.

Company Oil Rights

Description of Barrister Oil Properties and Oil Production Operations. The Company's current oil and gas assets consist primarily of non-operated interest. However, production from these assets has significantly improved the Company's operating ability.

As shown in the tables below, production has significantly improved due to the asset acquisitions in Q4. However, the Company will not be able to increase production until sufficient financial resources are obtained through potential debt and equity financing. Additionally, the Company may need to impair some of these assets if production cannot be restored.

The Smackover Trend. The Smackover trend is a belt of carbonate, evaporite, and clastic rocks of the Late Jurassic age that rims the Gulf Coast of the United States from Texas, up to Arkansas, throughout Louisiana, Mississippi, Southwest Alabama, and all the way to the Florida panhandle. Stratigraphic and geochemical data indicate that the oil and gas were generated from algae-rich lime mudstones. It was named after the Smackover oil field, which was discovered in Union County, Arkansas, in 1937.

Current Barrister Energy Properties. We own interests in 32 wells as of the end of 2022. In Q4 2022, we acquired interest in 29 of those wells.

The annual net production of wells for the fiscal years 2020, 2021, and 2022 are summarized in the table below, with the 29 acquisition wells shown only in the 2022 total.

CONSOLIDATED PRODUCTION

Year	Total Oil Produced (bbl)	Total Gas Produced (mcf)
2020	183	-
2021	127	-
2022	4,132	4,106
TOTAL	4,442	4,106

Oil and Gas Production, Production Prices, and Production Costs

Oil and Gas Production

The table below summarizes production by final product sold and by geographic area for the last four years.

	2022		2021		2020		2019	
	<i>(Net barrels of oil produced at year-end)</i>							
Crude oil and natural gas liquids production	Crude Oil	NGL	Crude Oil	NGL	Crude Oil	NGL	Crude Oil	NGL
Consolidated Subsidiaries								
United States	4,132	-	127	-	183	-	1,397	-
Total Consolidated Subsidiaries	4,132	-	127	-	183	-	1,397	-
Total crude oil & natural gas liquids production								
Bitumen production								
Consolidated Subsidiaries								
United States	-	-	-	-	-	-	-	-
Synthetic oil production								
Consolidated Subsidiaries								
United States	-	-	-	-	-	-	-	-
Total liquids production	-	-	-	-	-	-	-	-
Natural gas production available for sale								
Consolidated Subsidiaries								
United States	4,106	-	-	-	-	-	-	-
Total Consolidated Subsidiaries	4,106	-	-	-	-	-	-	-
Total natural gas production available for sale	4,106	-	-	-	-	-	-	-
<i>(thousands of oil-equivalent barrels at year-end)</i>								
Oil-equivalent production	-	-	-	-	-	-	-	-

Production Prices and Production Costs. The table below summarizes average production prices and average production costs by geographic area and by product type for the last three years.

	United States	Total
During 2022		
Consolidated Subsidiaries		
Average production prices		
Crude oil, per barrel	88.85	88.85
NGL, per barrel	-	-
Natural gas, per thousand cubic feet	7.60	7.60
Bitumen, per barrel	-	-
Synthetic oil, per barrel	-	-
Average production costs, per oil-equivalent barrel – total	4.77	4.77
Average production costs, per barrel – bitumen	-	-
Average production costs, per barrel - synthetic oil	-	-
During 2021		
Consolidated Subsidiaries		
Average production prices		
Crude oil, per barrel	64.25	64.25
NGL, per barrel	-	-
Natural gas, per thousand cubic feet	-	-
Bitumen, per barrel	-	-
Synthetic oil, per barrel	-	-
Average production costs, per oil-equivalent barrel – total	251.32	251.32
Average production costs, per barrel – bitumen	-	-
Average production costs, per barrel - synthetic oil	-	-
During 2020		
Consolidated Subsidiaries		
Average production prices		
Crude oil, per barrel	58.88	58.88
NGL, per barrel	-	-
Natural gas, per thousand cubic feet	-	-
Bitumen, per barrel	-	-
Synthetic oil, per barrel	-	-
Average production costs, per oil-equivalent barrel – total	32.13	32.13
Average production costs, per barrel – bitumen	-	-
Average production costs, per barrel - synthetic oil	-	-

Average production prices have been calculated by using sales quantities from Barrister's production as the divisor. Average production costs have been computed by using net production quantities for the

divisor. The volumes of crude oil and natural gas liquids (“NGL”) production used for this computation are shown in the oil and gas production table. The volumes of natural gas used in the calculation are the production volumes of natural gas available for sale and are also shown. Gas is converted to an oil-equivalent basis at *six million cubic feet per one thousand barrels*.

Oil and Gas Properties, Wells, Operations, and Acreage

Gross and Net Productive Wells

	Year-End 2022		Year-End 2021		Year-End 2020	
	Oil	Gas	Oil	Gas	Oil	Gas
	Gross	Net	Gross	Net	Gross	Net
Gross and Net Productive Wells						
Consolidated Subsidiaries						
United States	32	7	-	-	3.0	1.8
Total Consolidated Subsidiaries	32	7	-	-	3.0	1.8
Total gross and net productive wells	32	7	-	-	3.0	1.8

There were 32 gross, and 7 net wells as of December 31, 2022.

Gross and Net Developed Acreage

	Year-End 2022		Year-End 2021		Year-End 2020	
	Gross	Net	Gross	Net	Gross	Net
	<i>(acres)</i>					
Gross and Net Developed Acreage						
Consolidated Subsidiaries						
United States	6,208	901	370	352	370	352
Total Consolidated Subsidiaries	6,208	901	370	352	370	352
Total gross and net developed acreage	6,208	901	370	352	370	352

Separate acreage data for oil and gas are not maintained because, in many instances, both are produced from the same acreage.

Gross and Net Undeveloped Acreage

	Year-End 2022		Year-End 2021		Year-End 2020	
	Gross	Net	Gross	Net	Gross	Net
	<i>(acres)</i>					
Gross and Net Undeveloped Acreage						
Consolidated Subsidiaries						
United States	2,600	26	700	700	2,992	2,244
Total Consolidated Subsidiaries	2,600	26	700	700	2,992	2,244
Total gross and net undeveloped acreage	2,600	26	700	700	2,992	2,244

Separate acreage data for oil and gas are not maintained because, in many instances, both are produced from the same acreage.

Our investment in developed and undeveloped acreage is comprised of numerous leases. The List of Leases is included as Exhibit 99.2 to this Annual Report. The terms and conditions under which the Company maintains exploration and production rights to the acreage are property-specific, contractually defined, and vary significantly from property to property. Work programs are designed to ensure that the exploration potential of any property is thoroughly evaluated before expiration. In some instances, we may elect to relinquish acreage in advance of the contractual expiration date if the evaluation process is complete and there is not a business basis for the extension. In cases where additional time may be required to evaluate acreage fully, the Company has generally been successful in obtaining extensions. The scheduled expiration of leases and concessions for undeveloped acreage over the next three years is not expected to have a material adverse effect on the Company.

Government Regulation

Oil and natural gas operations such as ours are subject to various types of legislation, regulation, and other legal requirements enacted by governmental authorities. This legislation and regulation affecting the oil and natural gas industry are under constant review for amendment or expansion. Some of these requirements carry substantial penalties for failure to comply. The regulatory burden on the oil and natural gas industry increases our cost of doing business and, consequently, can affect our profitability.

Regulation of Drilling and Production

The production of oil and natural gas is subject to regulation under a wide range of local, state, and federal statutes, rules, orders, and regulations. Federal, state, and local statutes and regulations require permits for drilling operations, drilling bonds, and reports concerning operations. The trend in oil and natural gas regulation has been to increase regulatory restrictions and limitations on such activities. Any changes in, or more stringent enforcement of, these laws and regulations may result in delays or restrictions in permitting or development of projects or more stringent or costly construction, drilling, water management or completion activities or waste handling, storage, transport, remediation, or disposal emission or discharge requirements which could have a material adverse effect on the Company. For example, on January 20, 2021, the Biden Administration placed a 60-day moratorium on new oil and gas leasing and drilling permits on federal land, and on January 27, 2021, the Department of Interior, acting pursuant to a Presidential Executive Order suspended the federal oil and gas leasing program indefinitely. President Biden also announced that his administration would continue to pause all offshore and onshore leasing pending a full review of the federal leasing and permitting program. In response to a challenge filed by Louisiana and other states, a federal court in the Western District of Louisiana issued a preliminary injunction blocking the Biden administration's leasing moratorium. The Biden administration appealed this decision but has continued to hold lease sales pending appeal. While we do not have a significant federal land acreage position at 240 net acres, these actions could have a material adverse effect on the Company and our industry.

Currently, all our properties and operations are in Alabama, which has regulations governing conservation matters, such as the unitization or pooling of oil and natural gas properties, the establishment of maximum allowable rates of production from oil and natural gas wells, the regulation of well spacing, and plugging and abandonment of wells. The effect of these regulations is to limit the amount of oil and natural gas that we can produce from our wells and to limit the number of wells or the locations at which we can drill, although we can apply for exceptions to such regulations or to have reductions in well spacing. Moreover, Alabama imposes a production or severance tax with respect to the production and

sale of oil, natural gas, and natural gas liquids within their jurisdictions. Failure to comply with these rules and regulations can result in substantial penalties. Our competitors in the oil and natural gas industry are subject to the same regulatory requirements and restrictions that affect our operations.

Regulation of Transportation of Oil

Sales of crude oil, condensate, and natural gas liquids are not currently regulated and are made at negotiated prices; however, Congress could reenact price controls in the future.

Our sales of crude oil are affected by the availability, terms, and cost of transportation. The transportation of oil in common carrier pipelines is also subject to rate regulation. The Federal Energy Regulatory Commission, or the FERC, regulates interstate oil pipeline transportation rates under the Interstate Commerce Act. Intrastate oil pipeline transportation rates are subject to regulation by state regulatory commissions. The basis for intrastate oil pipeline regulation, and the degree of regulatory oversight and scrutiny given to intrastate oil pipeline rates, varies from state to state. Insofar as effective interstate and intrastate rates are equally applicable to all comparable shippers, we believe that the regulation of oil transportation rates will not affect our operations in any way that is of material difference from those of our competitors. Further, interstate and intrastate common carrier oil pipelines must provide service on a non-discriminatory basis. Under this open access standard, common carriers must offer service to all shippers requesting service on the same terms and under the same rates. When oil pipelines operate at full capacity, access is governed by pro-rationing provisions set forth in the pipelines' published tariffs. Accordingly, we believe that access to oil pipeline transportation services generally will be available to us to the same extent as to our competitors.

Regulation of Transportation and Sale of Natural Gas

Historically, the transportation and sale for resale of natural gas in interstate commerce have been regulated pursuant to the Natural Gas Act of 1938, the Natural Gas Policy Act of 1978, and regulations issued under those Acts by the FERC. In the past, the federal government has regulated the prices at which natural gas could be sold. While sales by producers of natural gas can currently be made at uncontrolled market prices, Congress could reenact price controls in the future.

Since 1985, the FERC has endeavored to make natural gas transportation more accessible to natural gas buyers and sellers on an open and non-discriminatory basis. The FERC has stated that open access policies are necessary to improve the competitive structure of the interstate natural gas pipeline industry and to create a regulatory framework that will put natural gas sellers into more direct contractual relations with natural gas buyers by, among other things, unbundling the sale of natural gas from the sale of transportation and storage services. Although the FERC's orders do not directly regulate natural gas producers, they are intended to foster increased competition within all phases of the natural gas industry. We cannot accurately predict whether the FERC's actions will achieve the goal of increasing competition in markets in which our natural gas is sold. Therefore, we cannot provide any assurance that the less stringent regulatory approach established by the FERC will continue. However, we do not believe that any action taken will affect us in a way that materially differs from the way it affects other natural gas producers.

Intrastate natural gas transportation is subject to regulation by state regulatory agencies. The basis for intrastate regulation of natural gas transportation and the degree of regulatory oversight and scrutiny

given to intrastate natural gas pipeline rates and services varies from state to state. Insofar as such regulation within a particular state will generally affect all intrastate natural gas shippers within the state on a comparable basis, we believe that the regulation of similarly situated intrastate natural gas transportation in any states in which we operate and ship natural gas on an intrastate basis will not affect our operations in any way that is of material difference from those of our competitors.

Principal Executive Offices

Our principal executive office is located at 3033 Wilson Boulevard, Suite E-605, Arlington, Virginia 22201, in Arlington County outside of Washington, D.C., and our telephone number is (703) 479-8538. We rent our principal executive offices under a month-to-month lease for a monthly rental of \$50. The Company website is www.cojaxoilandgas.com.

Employees

We have two full-time employees: Jeffrey J. Guzy, our Chief Executive Officer, and a director, and Wm. Barrett Wellman, our Chief Financial Officer. The officers devote the number of hours necessary to perform their duties, and each officer, in his sole discretion, determines the extent of the time commitment.

ITEM 1A. RISK FACTORS

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below before making a decision to invest in our common stock. The risks and uncertainties discussed below are not the only ones we face. Risks could also harm our business, operating results, financial condition, or prospects, and uncertainties not currently known to us or that we currently do not believe are material, and these risks and uncertainties could result in a complete loss of your investment. Prior to the Barrister Acquisition, we did not have revenue-generating operations that will fund our operating overhead. While we began to generate revenue following the Barrister Acquisition, our business, operating results, financial condition, or prospects could be materially and adversely affected by any of these risks and uncertainties. In assessing the risks and uncertainties described below, you should also refer to the other information contained herein, including our consolidated financial statements, pro forma financial statements, and the related notes thereto.

RISKS RELATED TO OUR BUSINESS

Risks Related to the Oil & Natural Gas Industry

Oil and natural gas prices are volatile, and any sustained decline in oil market prices could adversely affect the Company's business, financial condition, results of operations, and its ability to meet capital expenditure obligations and financial commitments.

Our success is highly dependent on prices for oil and natural gas, which have in recent years been, and we expect will continue to be, extremely volatile. Oil is a commodity, and its price may fluctuate widely in response to relatively minor changes in the supply of and demand for oil and market uncertainty. Historically, oil prices have been volatile due to sensitivity to political and economic developments or crises. The prices we receive for oil production, and the levels of oil production, depend on numerous factors beyond our control, which include worldwide and regional economic conditions affecting the global supply and demand for oil, such as:

- levels of production, domestic and worldwide inventories;
- the capacity of U.S. and international refiners to use U.S. supplies of oil, natural gas and NGLs
- the price and quantity of foreign imports of oil and their effect on U.S. oil producers;
- relative price and availability of alternative forms of energy;
- political and economic conditions in or affecting other oil-producing regions or countries, including the Middle East, Africa, South America, current invasion of Ukraine by Russia, which significantly affects global oil market price
- actions of the OPEC, its members, and other state-controlled oil companies relating to oil price and production controls, especially production disputes between Saudi Arabia and Russia, who often have different goals
- the level of global exploration, development, and production of oil
- the proximity, capacity, cost, and availability of oil gathering and transportation facilities;
- localized and global oil supply and demand fundamentals and transportation availability
- the cost of exploring for, developing, producing, and transporting oil which cost may go up due to oil storage surpluses created by COVID-19 pandemic
- weather conditions and other natural disasters, and storms in the Gulf States Drilling Region appear to increase in intensity due to global warming and in the past five years
- technological advances affecting oil consumption, especially the growing production of electric-powered cars, trucks, and buses
- the price and availability and consumer demand for alternative fuels to oil and reduction in the use of products that are made from oil, especially certain plastics, which demand is fueled by environmental concerns

- climate control legislation that increases the cost and lowers the demand for oil by providing incentives and tax benefits for use of non-oil fuels, and
- effect of existing U.S. federal, state, and local, and non-U.S. governmental regulation and taxes.

These factors make it extremely difficult to predict future oil, natural gas and NGLs price movements with any certainty. During the three years ended December 31, 2022, NYMEX WTI prices ranged from a high of \$123.64 per barrel on March 8, 2022 to a low of -\$36.98 per barrel on April 20, 2020, and NYMEX Henry Hub prices ranged from a high of \$23.86 per MMBtu on February 17, 2021 to a low of \$1.33 per MMBtu on September 21, 2020. Prices were particularly volatile in 2020 and 2021, with five-year highs occurring in 2021 and five-year lows occurring in 2020, as a result of multiple significant factors impacting supply and demand in the global oil and natural gas markets, including those relating to the COVID-19 global pandemic. We make price assumptions that are used for planning purposes, and a significant portion of our cash outlays, are largely fixed in nature. Accordingly, if commodity prices are below the expectations on which these commitments were based, our financial results are likely to be adversely and disproportionately affected because these cash outlays are not variable in the short term and cannot be quickly reduced to respond to unanticipated decreases in commodity prices. Specifically, prices of oil, and NGLs may adversely affect our revenues, cash flows, earnings and returns; our ability to attract capital to finance our operations and the cost of the capital; the profit or loss we incur in exploring for and developing our reserves; and the value of our oil and natural gas properties.

A substantial or extended decline in commodity prices may also reduce the amount of oil and natural gas that we can produce economically and cause a significant portion of our development projects to become uneconomic. This may result in our having to make significant downward adjustments to our estimated proved reserves. A reduction in production could also result in a shortfall in expected cash flows and require us to reduce capital spending, which could negatively affect our ability to replace our production and our future rate of growth, or require us to borrow funds to cover any such shortfall, which we may be unable to obtain at such time on satisfactory terms. Additionally, if we are required to curtail our drilling program, we may be unable to continue to hold leases that are scheduled to expire, which may further reduce our reserves. As a result, if oil and/or NGL prices experience a sustained period of weakness, our future business, financial condition, results of operations, liquidity, and ability to finance planned capital expenditures may be materially and adversely affected.

Our business is subject to climate-related transition risks, including evolving climate change legislation, fuel conservation measures, technological advances and negative shift in market perception towards the oil and natural gas industry, which could result in increased operating expenses and capital costs, financial risks and potential reduction in demand for oil and natural gas.

Recently, there is an increasing attention from governmental and regulatory bodies, investors, consumers, industry and other stakeholders on combating climate change, together with changes in consumer and industrial/commercial behavior, societal expectations on companies to address climate change, investor and societal expectations regarding voluntary climate-related disclosures, preferences and attitudes with respect to the generation and consumption of energy, the use of hydrocarbons, and the use of products manufactured with, or powered by, hydrocarbons. This attention results in the enactment of climate change-related regulations, policies and initiatives, including alternative energy requirements, new fuel consumption standards, energy conservation and emissions reductions measures and responsible energy development; technological advances with respect to the generation, transmission, storage and consumption of energy, increased availability of, and increased demand from consumers and industry for, energy sources other than oil and natural gas (including wind, solar, nuclear, and geothermal sources as well as electric vehicles); and development of, and increased demand from consumers and industry for, lower-emission products and services (including electric vehicles and renewable residential and commercial power supplies) as well as more efficient products and services.

These developments may in the future adversely affect the demand for products manufactured with, or powered by, petroleum products, as well as the demand for, and in turn the prices of, oil and natural gas products. Such developments may also adversely impact, among other things, our stock price and access to capital markets, and

the availability to us of necessary third-party services and facilities that we rely on, which may increase our operational costs and adversely affect our ability to successfully carry out our business strategy. Climate change-related developments may also impact the market prices of or our access to raw materials such as energy and water and therefore result in increased costs to our business.

More broadly, the enactment of climate change-related regulations, policies and initiatives across the market at the government, corporate, and/or investor community levels may in the future result in increases in our compliance costs and other operating costs and have other adverse effects (e.g., greater potential for governmental investigations or litigation).

Seismic studies do not guarantee that oil or hydrocarbons are present or, if present, will produce in economic quantities.

Oil exploration and production companies, like we are, rely on seismic studies to assist in assessing prospective drilling opportunities on oil and gas properties, as well as on properties that a company may acquire. Such seismic studies are merely an interpretive tool and do not necessarily guarantee that hydrocarbons are present or, if present, will produce in economic or profitable quantities.

Restrictions on our ability to obtain, recycle and dispose of water may impact our ability to execute our drilling and development plans in a timely or cost-effective manner.

Water is an essential component of both the drilling and hydraulic fracturing processes. If drought conditions were to occur or demand for water were to outpace supply, our ability to obtain water could be impacted and in turn, our ability to perform hydraulic fracturing operations could be restricted or made more costly. Along with the risks of other extreme weather events, drought risk, in particular, is likely increased by climate change. If we are unable to obtain water to use in our operations from local sources, we may be unable to economically produce oil and natural gas, which could have an adverse effect on our financial condition, results of operations and cash flows. In addition, significant amounts of water are produced in our operations. Inadequate access to or availability of water recycling or water disposal facilities could adversely affect our production volumes or significantly increase the cost of our operations.

Participants in the oil and gas industry are subject to numerous laws that can affect the cost, manner, or feasibility of doing business.

Exploration and production activities in the oil and gas industry are subject to various laws and regulations. Any oil and gas exploration and production operated by the Company are or may become subject to numerous environmental and occupational health and safety laws and regulations that may be imposed domestically at the federal, regional, state, and local levels. The more significant of these environmental and occupational health and safety laws and regulations include the following:

- The U.S. Clean Air Act, which restricts the emission of air pollutants from many sources and imposes various pre-construction, operational, monitoring, and reporting requirements, and that the Environmental Protection Agency or “EPA” has relied upon as authority for adopting climate change regulatory initiatives relating to Green House Gases or “GHG” emissions.
- The U.S. Federal Water Pollution Control Act, also known as the federal Clean Water Act, which regulates discharges of pollutants from facilities to state and federal waters and establishes the extent to which waterways are subject to federal jurisdiction and rulemaking as protected waters of the United States
- The U.S. Oil Pollution Act of 1990, which subjects owners and operators of vessels, onshore facilities, and pipelines, as well as lessees or permittees of areas in which offshore facilities are located, to liability for removal costs and damages arising from an oil spill in waters of the United States

- The U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, which imposes liability on generators, transporters, and arrangers of hazardous substances at sites where hazardous substance releases have occurred or are threatening to occur
- The U.S. Resource Conservation and Recovery Act, which governs the generation, treatment, storage, transport, and disposal of solid wastes, including hazardous wastes
- The U.S. Safe Drinking Water Act (“SDWA”), which ensures the quality of the nation’s public drinking water through the adoption of drinking water standards and control over the injection of waste fluids into below-ground formations that may adversely affect drinking water sources
- The U.S. Emergency Planning and Community Right-to-Know Act, requires facilities to implement a safety hazard communication program and disseminate information to employees, local emergency planning committees, and response departments on toxic chemical uses and inventories
- The U.S. Occupational Safety and Health Act, which establishes workplace standards for the protection of the health and safety of employees, including the implementation of hazard communications programs designed to inform employees about hazardous substances in the workplace, potentially harmful effects of these substances, and appropriate control measures
- The U.S. Endangered Species Act, restricts activities that may affect federally identified endangered and threatened species or their habitats through the implementation of operating restrictions or a temporary, seasonal, or permanent ban in affected areas
- The U.S. National Environmental Policy Act, requires federal agencies, including the Department of the Interior, to evaluate significant agency actions having the potential to affect the environment and that may require the preparation of environmental assessments and more detailed environmental impact statements that may be made available for public review and comment
- U.S. Department of Transportation regulations, which relate to advancing the safe transportation of energy and hazardous materials and emergency response preparedness.

These environmental and occupational health and safety laws and regulations, including new or amended legal requirements, are expected to have a considerable effect on any expanded Company’s operations in terms of compliance costs.

In addition, regional, state, and local jurisdictions in the United States where the Company operates or may operate also have, or are developing or considering developing, similar environmental and occupational health and safety laws and regulations governing many of these same types of activities. The State of Alabama has extensive operation and licensing laws for oil drilling. The State Oil and Gas Board of Alabama is a regulatory agency of the State of Alabama with the statutory charge of regulating oil exploration and production, including preventing waste and promoting the conservation of oil and gas while ensuring the protection of both the environment and the correlative rights of owners. This board is granted broad authority in Alabama oil and gas conservation statutes to promulgate and enforce rules and regulations to ensure the conservation and proper development of Alabama’s petroleum resources. We will rely on consultants and local legal counsel for compliance with the state regulatory regime.

Failure to comply with these laws and regulations may result in the suspension or termination of our operations and subject us to administrative, civil, and criminal penalties. Moreover, new laws and regulations may be enacted, and current laws and regulations could change, or their interpretations could change, in ways that could substantially increase our costs. The occurrence of any of these factors, or the continuation thereof, could have a material adverse effect on our business, financial position, or future results of operations.

Our operations are subject to operating hazards inherent to our industry that may adversely impact our ability to conduct business, and we may not be fully insured against all such operating risks.

The operating hazards in exploring for and producing oil and natural gas include: encountering unexpected subsurface conditions that cause damage to equipment or personal injury, including loss of life; equipment failures that curtail or stop production or cause severe damage to or destruction of property, natural resources or other equipment; blowouts or other damages to the productive formations of our reserves that require a well to be re-

drilled or other corrective action to be taken; and storms and other extreme weather conditions that cause damages to our production facilities or wells. Because of these or other events, we could experience environmental hazards, including release of oil and natural gas from spills, natural gas leaks, accidental leakage of toxic or hazardous materials, such as petroleum liquids, drilling fluids or fracturing fluids, including chemical additives, underground migration, and ruptures. If we experience any of these problems, we could incur substantial losses in excess of our insurance coverage. The occurrence of a significant event or claim, not fully insured or indemnified against, could have a material adverse effect on our financial condition and operations. In accordance with industry practice, we maintain insurance against some of the operating risks to which our business is exposed. Also, no assurance can be given that we will be able to maintain insurance in the future at rates we consider reasonable to cover our possible losses from operating hazards and we may elect no or minimal insurance coverage.

This regulatory scheme also poses the risk of government civil and criminal actions and private citizen civil lawsuits against the Company

Under these and other laws and regulations, we could be liable for personal injuries, property damage and other types of damages. There are environmental laws that provide for citizen suits, which allow private entities to act in the place of the government and sue operators for alleged violations of environmental law. Currently, we do not have insurance covering environmental and occupational health and safety risks, and any insurance may not cover penalties or fines that may be issued by a governmental authority. The Company lack insurance to cover potential violations and resulting liabilities for environmental and occupational health and safety laws and regulations as well as claims for damages to property or persons or imposition of penalties resulting from our operations.

Negative public perception of the oil and gas industry could have a material and adverse effect on us.

Opposition toward oil and natural gas drilling and development activity has been growing globally and is particularly pronounced in the United States. Negative public perception regarding us and/or our industry resulting from, among other things, concerns raised by advocacy groups about climate change may lead to increased reputational and litigation risk and regulatory, legislative and judicial scrutiny, which may, in turn, lead to new state and federal safety and environmental laws, regulations, guidelines and enforcement interpretations. Companies in the oil and natural gas industry are often the target of activist efforts from both individuals and non-governmental organizations regarding safety, human rights, climate change, environmental matters, sustainability, and business practices. The foregoing factors may cause operational delays or restrictions, increased operating costs, additional regulatory burdens and increased risk of litigation. Negative perceptions regarding our industry and reputational risks may also in the future adversely affect our ability to successfully carry out our business strategy by adversely affecting our access to capital. Certain segments of the investor community have developed negative sentiment towards investing in our industry.

Further, certain investment banks and asset managers based both domestically and internationally have announced that they are adopting climate change guidelines for their banking and investing activities. Certain other stakeholders have also pressured commercial and investment banks to stop financing oil and gas production and related infrastructure projects. Institutional lenders who provide financing to companies in the energy sector have also become more attentive to sustainable lending practices, and some may elect not to provide traditional energy producers or companies that support such producers with funding. Such developments aimed at limiting climate change and reducing air pollution, could result in downward pressure on the stock prices of oil and gas companies, including ours. This may also potentially result in a reduction of available capital funding for potential development projects, impacting our future financial results.

Terrorist attacks aimed at energy operations could adversely affect our future oil exploration and production business.

The continued threat of terrorism and the effect of military and other government action have led and may lead to further increased volatility in prices for oil and natural gas and could affect these commodity markets or the financial markets. The U.S. government has issued warnings that energy assets may be a future target of terrorist organizations. These developments have subjected our oil and natural gas operations to increased risks. Any future terrorist attack on facilities used by Barrister or other future oil exploration and production operations, those of such operations' customers, the infrastructure used for transportation of oil, and, in some cases, those of other energy companies, could have a material adverse effect on the Company.

Operational Risks

We have a limited history of owning and operating oil and gas exploration and production operations.

Prior to the Barrister Acquisition in November 2020, we have not generated any revenue. Although we acquired Barrister's business pursuant to the Barrister Acquisition, these drilling operations are minimal and commenced less than three years ago. In addition, the history of obtaining oil rights by Barrister was minimal in terms of production and does not reveal the potential oil production and profitability of the Company Oil Rights. Subsequently, in the fourth quarter of 2022, we acquired additional oil rights and interests by purchasing NONOP Assets and Buckley Assets, and now we need to obtain sufficient funds to develop reserves related to these properties. However, the lack of a more extensive operating history may discourage lenders or funding sources from providing working capital to the Company. There is no assurance that the Company Oil Rights, including rights acquired in the Barrister Acquisition and oil rights with respect to acquisition of NONOP Assets and Buckley Assets will produce oil on a profitable basis, even with deep drilling rigs. Investors should carefully consider the lack of operating history of the Company and the lack of any significant oil production from the Company Oil Rights prior to making an investment decision to invest in the Company. If the Company is unable to obtain needed capital or financing on satisfactory terms, its ability to develop future reserves will be adversely affected. If drilling operations are curtailed, then the Company may be unable to continue to hold leases and drilling rights that are scheduled to expire, which may further reduce oil reserves, which will materially and adversely affect future business, financial condition, results of operations, liquidity, and ability to finance planned capital expenditures.

We have entered a highly competitive and highly capital-intensive industry, and any oil production may be insufficient to fund, sustain, or expand revenue-generating operations.

The oil drilling exploration and production business are capital intensive due to the cost of experienced personnel; equipment and other assets required to drill, produce and store oil; regulatory compliance costs; potential liability exposures and financial effects; and the risk of unpredictable volatility in oil market prices and predatory pricing by competitors. Drilling requires an upfront payment of operational costs with no guarantee that actual oil production will cover such expenses. "Dry" holes for the first and/or second oil wells could deplete any available funding raised by the Company and render the Company insolvent. The actual amount and timing of our future capital expenditures may differ materially from our estimates as a result of, among other things, market oil prices, actual drilling results, the availability of drilling rigs and other services and equipment, and regulatory, technological, and competitive developments. The Company does not have cash flow or cash reserves sufficient to fund more extensive and deep drilling on Company Oil Rights. While we will seek such funding, there can be no assurance that we can obtain funding that will be sufficient to fund deep drill wells, which are needed to produce any significant levels of oil production.

Future cash flow from our operations and access to capital are subject to a number of variables, including, but not limited to: (i) the market prices at which our oil production is sold; (ii) our proved reserves; (iii) the level of hydrocarbons we can produce from any future oil wells; (iv) our ability to acquire, locate and produce new oil reserves; (v) the levels of our operating expenses; (vi) reduction in the U.S. and global demand for oil.

Our acquisitions of oil and gas properties and subsequent exploration and development drilling efforts and the operation of our wells may not be profitable or achieve our targeted returns.

Exploration, development, drilling and production activities are subject to many risks. Acquiring oil and natural gas exploration and production rights and leases requires us to assess reservoir and infrastructure characteristics,

including recoverable reserves, development and operating costs, and potential environmental and other liabilities. We may invest in property, including undeveloped leasehold acreage, which we believe will result in projects that will add value over time. However, we cannot guarantee that any leasehold acreage acquired will be profitably developed, that new wells drilled will be productive or that we will recover all or any portion of our investment in such leasehold acreage or wells. Drilling for oil and natural gas may involve unprofitable efforts, including wells that are productive but do not produce sufficient net reserves to return a profit after deducting operating and other costs.

In addition, we may not be successful in controlling our drilling and production costs to improve our overall return and wells that are profitable may not achieve our targeted rate of return. Wells may have production decline rates that are greater than anticipated. Future drilling and completion efforts may impact production from existing wells, and parent-child effects may impact future well productivity as a result of timing, spacing proximity or other factors. We may be required to assume the risk of the physical condition of the properties in addition to the risk that the properties may not perform in accordance with our expectations. These risks could render unprofitable our drilling operations and significantly affect the overall financial performance and condition of the Company. Failure to conduct our oil and gas operations in a profitable manner may result in impairments of our proved reserves quantities, impairment of our oil and gas properties, and a write-down in the carrying value of our unproved properties, and over time may adversely affect our growth, revenues and cash flows.

Due to our contractor model of operations, we will be vulnerable to any inability to engage or retain qualified operational personnel for new or existing drilling operations.

Our operation plan depends on a teaming/contractor approach to operate oil rigs. We may be unable to locate or retain a sufficient number of qualified independent contractors to operate new or existing oil rigs. Finding and engaging qualified independent contractors will be essential to commencing, expanding, and sustaining drilling operations. Since we will, in all likelihood, depend on one or two new oil rigs at the start of operations after raising sufficient working capital, any inability to engage or retain qualified independent contractors would be potentially fatal to our efforts to establish increased revenue-generating operations. The use of independent contractors also poses the risk of such personnel leaving for more lucrative opportunities with competitors or other oil producers. Many of our competitors can afford more lucrative compensation packages for qualified personnel. We lack the resources to effectively compete against larger competitors for operational personnel, especially against competitors with liquid public markets for their capital stock and the ability to offer attractive stock-based incentive compensation.

Loss of key operational personnel could cause suspension of any expanded drilling operations.

The Company does not have key-man insurance or the available cash to easily employ or engage experienced, full-time outside senior management personnel. The loss of key personnel, including operational personnel of COP used to manage Barrister's oil production business, or COP's refusal to continue to manage Barrister oil drilling and production could undermine the Company's ability to manage operations and implement the Company's business plan.

With any expanded oil exploration and drilling, we will eventually need to replace existing oil reserves with new oil reserves and develop those oil reserves. Failing that, oil reserves and production will decline, which would adversely affect future cash flows and results of operations.

Once we increase oil production, then producing oil reservoirs generally will be characterized by declining production rates that vary depending upon oil reservoir characteristics and other factors. Unless the Company conducts successful ongoing exploration and development activities or continually acquires properties containing proved reserves, proved reserves would decline as those reserves are produced. Future reserves and production, and therefore future cash flow and results of operations, are highly dependent on the success in efficiently developing current reserves and economically finding or acquiring additional recoverable oil reserves. We may not be able to

develop, find, or acquire sufficient additional reserves to replace our current and future production. If we are unable to replace current and future oil production, the value of existing reserves will decrease, and business, financial condition, and results of operations would be materially and adversely affected.

The potential lack of availability of, or cost of, drilling rigs, equipment, supplies, personnel, and crude oil field services could adversely affect our ability to execute on a timely basis exploration and development plans within any budget.

We may encounter an increase in the cost of securing needed drilling rigs, equipment, and supplies. Larger producers may be more likely to secure access to such equipment by offering more lucrative terms. If we are unable to acquire access to such resources or can obtain access only at higher prices, its ability to convert oil reserves into cash flow could be delayed, and the cost of producing from those oil reserves could increase significantly, which would adversely affect results of operations and financial condition. Our current drilling operations are limited, and the availability of essential drilling assets may not become a risk factor until such time as we increase drilling operations.

We have a limited customer base for its oil production due to its limited oil production and operating history. The cost of and difficulty in expanding the customer base for increased production from the Company Oil Rights is unknown.

We can only determine the cost and difficulty of expanding our customer base based on actual oil production and then-current market conditions and demand for oil. As such, we cannot predict the cost and ease or difficulty of selling increased oil production from the Company Oil Rights. This unknown factor in commercially exploiting any increased oil production from the Company Oil Rights increases the risk of investing in the shares of the Company because it renders uncertain a key factor in future profitability of the Company.

Risk related to the Third-Party Transportation of Oil Production.

The marketability of oil production will depend upon the availability, proximity, and capacity of transportation facilities owned by third parties. Any oil production will be transported from the wellhead to gathering systems. The oil is then transported by the purchaser by truck or other means to a transportation facility. We will not be able to control most of these third-party transportation means and facilities, and access to them may be limited or denied. If in the future, the Company is unable, for any sustained period, to implement acceptable delivery or transportation arrangements or encounter production-related difficulties, it may be required to shut in or curtail production. Any such shut-in or curtailment, or an inability to obtain favorable terms for delivery of the oil produced, would materially and adversely affect our efforts to attain or sustain revenues from operations and improved future financial condition and results of operations.

Risks Related to Our Financial Condition and Capital Requirements

Our independent registered public accounting firm has included an explanatory paragraph relating to our ability to continue as a going concern in its report on our audited financial statements.

On a consolidated basis, the Company has incurred significant operating losses since inception and has a working capital deficit. The Company's financial statements do not include any adjustments that might result from the outcome of this uncertainty. Because the Company does not expect that existing operational cash flow will be sufficient to fund presently anticipated operations, this raises substantial doubt about the Company's ability to continue as a going concern. Therefore, the Company will need to raise additional funds and is currently exploring alternative sources of financing. Historically, the Company has raised capital through an officer loan as an interim measure to finance working capital needs and will continue to raise additional capital through the sale of common stock or other securities. The Company will be required to continue to do so until its consolidated operations become profitable. Our past efforts to raise working capital have been unsuccessful.

Although our initial public offering was declared effective by the Commission in August 2019, we were unable to sell any shares and terminated said offering. We also failed to raise sufficient working capital in a second public offering pursuant to the registration statement on a Form S-1 which was declared effective by the Commission on October 9, 2020 (we raised only \$53,000 in that public offering, which was closed on May 31, 2021). The impact of COVID-19 pandemic and volatility of market price for oil in 2020 and 2021 further hampered efforts to raise additional working capital by creating economic uncertainty and heightened risks in lending or investing in oil production. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. If we are unable to obtain sufficient funding, our business, prospects, financial condition, and results of operations will be materially and adversely affected, and we may be unable to continue as a going concern. If we cannot continue as a viable entity, you would lose all or most of your investment in the Company.

We do not have directors' and officers' liability insurance due to the cost.

The lack of directors' and officers' liability insurance hinders our ability to attract directors and officers. We intend to seek to purchase directors' and officers' liability insurance if we have sufficient cash reserves from the net proceeds of this Offering or future funding efforts. Typically, such insurance costs \$100,000 or more per annum, if available. Further, directors' and officers' insurance require that the insured company cover the first \$300,000 or more of costs prior to insurance coverage occurring. This high deductible can be beyond the financial means of a small company and effectively denies the insured company of the benefits of the insurance. If we do not have sufficient cash to purchase directors' and officers' liability insurance, our ability to attract and retain qualified officers and directors will suffer, especially considering the lack of a public market for the common stock and resulting inability to offer incentive compensation to directors and officers. We may be unable to find an insurer willing to provide directors' and officers' liability insurance since we are an early-stage development company with limited operating history and no revenue-generating operations.

Risks Relating to Our Common Stock

Our common stock is currently quoted on Expert Market of OTC Markets. We do not have an active, liquid trading market for our common stock and may never develop it.

In October 2021, our Common Stock became eligible for quotations on OTC Markets. Between October 2021 and July 2023, our stock has been quoted on OTC Pink marketplace, which publishes brokerage quotations; however our stock is currently quoted on Expert Market marketplace because of delinquent filings of this Annual Report and subsequent reports with the SEC. As a result, our stock is currently not eligible for proprietary broker-dealer quotations, and all quotes in our common stock reflect unsolicited customer orders. This creates a higher risk of wider spreads, increased volatility, and price dislocations. In order to be eligible for public brokerage quotations provide continuous market making, a broker dealer needs to submit a new application under SEC Rule 15c2-11 which needs to be approved by FINRA. Even if our stock becomes eligible for proprietary quotations, trading on OTC Pink marketplace is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. The securities market has from time-to-time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of shares of our common stock.

In the absence of an active trading market investors may have difficulty buying and selling or obtaining market quotations, market visibility for shares of our common stock may be limited, and a lack of visibility for shares of our common stock may have a depressive effect on the market price for shares of our common stock. The lack of an active market impairs the ability of our stockholders to sell their shares at a price that they consider reasonable and may also reduce the fair market value of the shares. Moreover, OTC Markets is not a securities exchange, and trading of securities is often more sporadic than the trading of securities listed on a quotation system like Nasdaq or any other national stock exchange. Accordingly, stockholders may have difficulty reselling any shares of common stock.

There is no assurance that we will be able to pay dividends to our stockholders which means that you could receive little or no return on your investment.

Payment of dividends from our earnings and profits may be made at the sole discretion of our board of directors. There is no assurance that we will generate any distributable cash from operations. Our board may elect to retain cash for operating purposes, debt retirement, or some other purpose. Consequently, you may receive little or no return on your investment.

“Penny Stock” rules may make buying or selling our Common Stock difficult. Limitations upon Broker-Dealers Effecting Transactions in “Penny Stocks”

Trading in our Common Stock is subject to material limitations as a consequence of regulations that limit the activities of broker-dealers effecting transactions in “penny stocks.” Pursuant to Rule 3a51-1 under the Exchange Act, our Common Stock is a “penny stock” because it (i) is not listed on any national securities exchange (ii) has a market price of less than \$5.00 per share, and (iii) its issuer (the Company) has net tangible assets less than \$2,000,000 (if the issuer has been in business for at least three (3) years) or \$5,000,000 (if the issuer has been in business for less than three (3) years). Rule 15g-9 promulgated under the Exchange Act imposes limitations upon trading activities on “penny stocks”, which makes selling our Common Stock more difficult compared to selling securities that are not “penny stocks.” Rule 15a-9 restricts the solicitation of sales of “penny stocks” by broker-dealers unless the broker first (i) obtains from the purchaser information concerning his financial situation, investment experience, and investment objectives, (ii) reasonably determines that the purchaser has sufficient knowledge and experience in financial matters that the person is capable of evaluating the risks of investing in “penny stocks”, and (iii) delivers and receives back from the purchaser a manually signed written statement acknowledging the purchaser’s investment experience and financial sophistication.

Rules 15g-2 through 15g-6 promulgated under the Exchange Act require broker-dealers who engage in transactions in “penny stocks” first to provide their customers with a series of disclosures and documents, including (i) a standardized risk disclosure document identifying the risks inherent in investing in “penny stocks”, (ii) all compensation received by the broker-dealer in connection with the transaction, (iii) current quotation prices and other relevant market data, and (iv) monthly account statements reflecting the fair market value of the securities.

There can be no assurance that any broker-dealer which initiates quotations for the Common Stock will continue to do so, and the loss of any such broker-dealer likely would have a material adverse effect on the market price of our Common Stock.

FINRA sales practice requirements may also limit a stockholder’s ability to buy and sell our stock.

In addition to the “penny stock” rules described below, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer’s financial status, tax status, investment objectives, and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our Common Stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

Because our Common Stock is deemed a low-priced “penny stock,” it will be cumbersome for brokers and dealers to trade in our Common Stock, making the market for our Common Stock less liquid and negatively affecting the price of our stock. We will be subject to certain provisions of the Exchange Act, commonly referred to as the “penny stock” rules as defined in Rule 3a51-1. A penny stock is generally defined to be any equity security that has a market price less than \$5.00 per share, subject to certain exceptions. Since our stock is deemed to be a penny stock, trading is subject to additional sales practice requirements of broker-dealers. These require a broker-dealer to:

- Deliver to the customer, and obtain a written receipt for, a disclosure document;
- Disclose certain price information about the stock;
- Disclose the amount of compensation received by the broker-dealer or any associated person of the broker-dealer;
- Send monthly statements to customers with market and price information about the penny stock; and
- In some circumstances, approve the purchaser's account under certain standards and deliver written statements to the customer with the information specified in the rules.

Consequently, penny stock rules and FINRA rules may restrict the ability or willingness of broker-dealers to trade and/or maintain a market in our Common Stock. Also, prospective investors may not want to get involved with the additional administrative requirements, which may have a material adverse effect on the trading of our shares.

We are an “emerging growth company” under the JOBS Act of 2012 and a “smaller reporting company” and, as a result of the reduced disclosure and governance requirements applicable to emerging growth companies and smaller reporting companies, our Common Stock may be less attractive to investors.

We are an “emerging growth company”, as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our Common Stock less attractive because we may rely on these exemptions. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock and our stock price may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are choosing to take advantage of the extended transition period for complying with new or revised accounting standards.

We will remain an “emerging growth company” until the earlier of (i) the last day of the year following the fifth anniversary of the date of the completion of our initial public offering, (ii) the last day of the year in which we have total annual gross revenue of at least \$1.07 billion, (iii) the last day of the year in which we are deemed to be a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our Common Stock held by non-affiliates exceeded \$700.0 million as of the last business day of the second fiscal quarter of such year, or (iv) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

Even after we no longer qualify as an “emerging growth company,” we may still qualify as a “smaller reporting company,” which would allow us to continue to take advantage of many of the same exemptions from disclosure requirements, including, among other things, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, presenting only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and reduced disclosure obligations regarding executive compensation in this Report and our periodic reports and proxy statements.

Our status as an “emerging growth company” under the JOBS Act may make it more difficult to raise capital as and when we need it.

Because of the exemptions from various reporting requirements provided to us as an “emerging growth company” and because we will have an extended transition period for complying with new or revised financial accounting standards, we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our financial accounting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected.

Future capital raises may dilute our existing stockholders’ ownership, the value of their equity securities and/or have other adverse effects on our operations.

If we raise additional capital by issuing equity securities by acquisition of by equity financings, our existing shareholder’ percentage ownership may decrease, and these stockholders may experience substantial dilution. If we raise additional funds by issuing debt instruments, these debt instruments could impose significant restrictions on our operations, including liens on our assets. If we raise additional funds through collaborations and licensing arrangements, we may be required to relinquish some rights to our technologies or products, or to grant licenses on terms that are not favorable to us or could diminish the rights of our stockholders. Furthermore, if we offer to sell our shares of common stock in subsequent offerings for the purchase price that is less than the purchase price of shares of common stock offered pursuant to this prospectus, this may affect the value of equity securities of the stockholders that are purchasing our shares of common stock in the offering pursuant to this prospectus. In addition, the issuance of such additional shares may affect the ability of any investor to sell their shares once such shares are eligible for sale.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We do not own any real property. We rent our principal executive offices at 3033 Wilson Boulevard, Suite E-605, Arlington, Virginia 22201, under a month-to-month lease and for a monthly rental of \$50. This office space is deemed adequate for the current needs of our executive management and corporate headquarters. We have no other offices. We believe that this property is sufficient for our current and proposed business.

ITEM 3. LEGAL PROCEEDINGS

There are no pending legal proceedings to which we are a party or in which any director, officer or affiliate of ours, any owner of record or beneficially of more than 5% of any class of our voting securities, or security holder is a party adverse to us or has a material interest adverse to us.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock is currently quoted on the Expert Market marketplace of OTC Markets Group, Inc., an inter-dealer quotation system, under the symbol "CJAX." Our stock has been previously quoted on OTC Pink marketplace. Quotations in Expert Market securities, however, are restricted from public viewing. However, there is currently only a very limited trading market for our Common Stock and there is no assurance that a regular trading market will ever develop.

As of November 6, 2023, there were 54 stockholders of record of our Common Stock.

Dividends

We have never declared or paid any cash dividends on our common stock. We currently intend to retain future earnings, if any, for working capital purposes and do not anticipate paying any cash dividends in the foreseeable future.

Recent Issuances of Unregistered Securities

There were no other sales of equity securities during the period covered by this Annual Report that was not registered under the Securities Act or reported on a Current Report on Form 8-K filed by the Company.

Securities Authorized for Issuance Under Equity Compensation Plan

The Company adopted the 2018 Equity Incentive Plan on December 31, 2018. No awards were granted under the 2018 Equity Incentive Plan as of the date of this Annual Report.

Recent Issuances of Unregistered Securities

There were no other sales of equity securities during the period covered by this Annual Report that was not registered under the Securities Act and were not previously reported in a Quarterly Report on Form 10-Q or on a Current Report on Form 8-K filed by the Company.

ITEM 6. SELECTED FINANCIAL DATA

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

The following discussion and analysis should be read in conjunction with our financial statements and the related notes thereto. The management's discussion and analysis contain forward-looking statements, such as statements of our plans, objectives, expectations, and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect," and the like, and/or future tense or conditional

constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors that may cause our or our industry's actual results, levels of activity, or performance to be materially different from any future results, levels of activity, or performance expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, or performance. You should not place undue reliance on these statements, which speak only as of the date of this Annual Report. These cautionary statements should be considered with any written or oral forward-looking statements that we may issue in the future. You should read this Annual Report on Form 10-K with the understanding that our actual future results may be materially different from what we expect. All forward-looking statements speak only as of the date on which they are made. We undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they are made, except as required by applicable law.

Management's discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The following discussion and analysis of financial condition and results of operations of the Company is based upon and should be read in conjunction with the audited consolidated financial statements and related notes elsewhere in this Annual Report on Form 10-K.

Overview

We were incorporated on November 13, 2017, under the laws of the Commonwealth of Virginia, to acquire, fund, and operate oil exploration and production from assets in the Gulf States Drill Region. We are an early-stage corporation seeking to become an independent energy company focused on the acquisition and subsequent exploitation and development of crude oil in the Gulf States Drill Region.

Since our inception, we have incurred operating losses. Prior to the Acquisitions, we had not generated positive cash flows from operations, and while after the Acquisitions, we started to generate revenue, there are no assurances that we will be successful in obtaining an adequate level of financing for the development and commercialization of our proposed oil exploration and production business. These factors raise substantial doubt about our ability to continue as a going concern. We expect to incur expenses and operating losses for the foreseeable future as we seek to implement our business plan. Due to its limited revenues, the Acquisitions do not remedy substantial doubts about our ability as a going concern. The Company has been unable to raise additional capital as of the date of this Annual Report, other than personal loans by Jeffrey J. Guzy, CoJax's Chief Executive Officer and Chairman of the Board of Directors, and \$53,000 raised in the public offering.

Reserve engineering is a process of estimating underground accumulations of oil that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data, and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing, and production activities may justify revisions of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil that are ultimately recovered. When we acquire oil exploration and production leases and rights, we will use

oil reserve reports as one factor in deciding whether to drill in the property of a specific oil lease or right. Reserve estimates depend on many assumptions that may turn out to be inaccurate. Any material inaccuracies in reserve estimates or underlying assumptions will materially affect the quantities and present value of oil from a drilling site.

Risks and Uncertainties

Since March 2020, and throughout the last two years, global markets and commodity prices have been extremely volatile due to the impacts from the COVID-19 pandemic, with further impacts on volatility caused by the war in Ukraine that began in February 2022. Commodity prices remained steady during the fourth quarter of 2022 as demand has continued to outpace relative supply. While recessionary concerns have placed some downward pressure on commodity prices, causing oil and gas prices to decline in the first quarter of 2023 from their earlier highs in 2022, worldwide commodity demand continues to exceed pre COVID-19 pandemic levels. Although supply has increased and we have seen continued recovery in commodity prices since the beginning of the pandemic, there is still an element of volatility and uncertainty that we expect to continue at least for the near-term and possibly longer, in part by the impact of the Russian-Ukrainian military conflict on global commodity and financial markets, and the associated effect of trade sanctions on imports of oil and natural gas from Russia. This volatility could negatively impact future prices for oil, natural gas, petroleum products and industrial products.

Recent Developments

On November 8, 2022, the Company, through Barrister, acquired from Taxodium 100% ownership, right, title and interest in certain properties located in Mississippi and Alabama, including all oil and gas leases, interests, royalties, overriding royalties, subleases, fee estates, net profits interest, and carried interests (collectively, known as “NONOP Assets”) pursuant to the NONOP Assignment. In consideration of the acquisition of NONOP Assets, the Company issued 1,600,000 shares of the Company’s Common Stock to all members of Taxodium in proportion to their interest in Taxodium. This transaction became effective on October 1, 2022, for accounting purposes.

On December 2, 2022, the Company, through Barrister, acquired from Taxodium 100% ownership, right, title and interests in additional properties located in Mississippi, including certain wells, facilities, the oil gas and mineral leases, together with all surface and subsurface and all operating rights, working interest, and net revenue interest arising out of such leases and rights (collectively known as “Buckley Assets”) pursuant to the Buckley Assignment. In consideration of the acquisition of Buckley Assets, the Company issued to members of Taxodium an aggregate of 1,500,000 shares of its Common Stock, valued at \$2.00 per share, in proportion of their ownership interest in Taxodium. The Buckley Assignment became effective on October 15, 2022 for accounting purposes.

Results of Operations

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

	For the Year Ended December 31,				
	2022	2021	Change Amount	Change %	
Revenues	\$ 106,554	\$ 8,160	\$ 98,394	*	
Lease operating expenses	321,103	31,918	289,185	906%	
General & administrative expenses	2,111,761	1,461,534	650,227	44.5%	
Depletion and accretion on discounted liabilities	42,321	2,416	39,905	*	
Impairment expense	3,909,700	-	3,909,700	100%	
Loss from operations	(6,278,331)	(1,487,708)	(4,790,623)	322.0%	
Other income (expense)	40,716	(2,488)	43,204	*	
Net loss	\$ (6,237,615)	\$ (1,490,196)	\$ (4,747,419)	318.6%	

* In excess of 1,000%

Revenues

Revenues were \$106,554 for the year ended December 31, 2022, and \$8,160 for the year ended December 31, 2021. The Company is an early-stage company, having just begun to acquire assignments of hydrocarbon revenues and underlying oil and gas exploration and production rights, and therefore has just begun producing significant revenue in 2023.

General and Administrative Expenses

General and administrative expenses consisted primarily of accounting and audit fees, legal and professional services fees, and payroll-related expenses. General and administrative expenses were \$2,111,761 for the year ended December 31, 2022, compared to \$1,461,534 in the same period in 2021, representing an increase of 5.9% or \$85,227. The increase was primarily driven by an increase in share-based compensation expense.

Lease Operating Expenses

Lease operating expenses were \$321,103 for the year ended December 31, 2022, compared to \$31,918 in the same period in 2021. The increase was due to additional operating expenses resulting from acquisitions of oil and gas properties during 2022.

Loss from Operations

Total operating loss was \$6,278,331 for the year ended December 31, 2022, and \$1,487,708 for the year ended December 31, 2021. The loss was primarily driven by the \$3,909,700 impairment loss on oil and gas properties in addition to the increase in general and administrative expenses.

Other Income (Expense)

Other income was \$40,716 for the year ended December 31, 2022, compared to other expense of \$2,488 in the same period in 2021. The increase was primarily due to an increase in interest income of \$41,660.

Net Loss

As a result of the above factors, there was a net loss of \$6,237,615 for the year ended December 31, 2022, compared to a net loss of \$1,490,196 in the same period of last year.

Liquidity and Capital Resources

Sources of Liquidity

The Company had cash and cash equivalents of \$37,750 at December 31, 2022. The Company has incurred net operating losses and operating cash flow deficits since inception, continuing through the years ended December 31, 2022, and December 31, 2021. Since inception, the primary sources of financing have been a combination of loans or contributions of Jeffrey J. Guzy, an officer and director of the Company, and \$53,000 raised in the public offering. This limited funding has been inadequate as of the date of this Annual Report to fund our business strategy. The Company has not attained profitable operations and its ability to pursue any future plan of operation is dependent upon our ability to obtain additional financing.

Funding Requirements

The Company believes that its working capital on hand, as of the date of this report, will not be sufficient to fund its plan of operations over the next 12 months. Until such time, if ever, as the Company can generate substantial revenues, it expects to continue relying on a combination of equity offerings and debt financings to fund ongoing operations. To the extent that the Company raises additional capital through the sale of equity or debt securities, the ownership interest of the Company may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect the rights of the Company's existing stockholders. There is no assurance that the Company will be able to complete any additional sales of equity securities or that it will be able to arrange for other financing to fund its planned business activities.

Debt or equity financing arrangements may not be available to us or may be available only on unfavorable terms. Based on prior experience in seeking funding for drilling on properties without any significant oil production, funding for drilling is challenging to obtain at all or on affordable terms. Our ability to obtain additional financing may be impaired by many factors outside of our control, including the capital markets (both generally and in the crude oil industry in particular), our lack of operating history, the location of our proposed or future crude oil properties and prices of crude oil on the commodities markets (which will influence the amount of asset-based financing available to us) and other factors. Further, if oil prices on the commodities markets decline, our revenues from any exploitation of the Company Oil Rights will likely decrease, and such decreased revenues may increase our requirements for capital. The Company may continue to incur substantial costs in the future in connection with raising capital to fund our business, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses, and other costs. The Company may also be required to recognize non-cash expenses in connection with certain securities we may issue, which may adversely affect our financial condition.

If the Company is unable to raise additional funds through equity or debt financings or other arrangements sufficient to satisfy its long-term capital requirements, together with its revenues from any acquired operations, it may be required to reduce operating costs, which are already minimal and delay, reduce or eliminate its acquisition and development activities. That reduction could jeopardize the Company's future strategic initiatives and business plans. The Company may be required to sell some or all of its acquired properties (which could be on unfavorable terms), seek joint ventures with one or more strategic partners, strategic acquisitions, and other strategic alternatives, cease our operations, sell or merge our business, or file a petition for bankruptcy (either liquidation or reorganization under the U.S. Bankruptcy Code). Any of these actions could result in investors in the common stock losing their investment or failing to realize any appreciation in the common stock from the purchase price.

Working Capital (Deficit)

The following table summarizes our total current assets, total current liabilities, and working capital (deficit) as of December 31, 2022, and December 31, 2021:

	As of December 31, 2022	As of December 31, 2021
Current assets	\$ 89,800	\$ 103,765
Current liabilities	2,105,308	794,376
Working capital deficit	\$ (2,015,508)	\$ (690,611)

Cash Flows

Changes in the net cash provided by and (used in) operating, investing, and financing activities for the years ended December 31, 2022, and December 31, 2021, are set forth in the following table:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Net cash used in operating activities	\$ (78,323)	\$ (108,618)
Net cash used in investing activities	-	-
Net cash provided by financing activities	103,975	76,665
Cash at beginning of period	12,098	44,051
Net increase (decrease) in cash	\$ 25,652	\$ (31,953)

Net cash from operating activities is derived from net loss from operations adjusted for non-cash items, changes in the balances of accounts receivables, prepaid expenses, accounts payables, and accrued expenses. For the period ended December 31, 2022, net cash used in operating activities was \$78,323 compared to net cash used in operating activities of \$108,618 for the period ended December 31, 2021.

Net cash used in investing activities was \$0 for the periods ended December 31, 2022, and December 31, 2021.

Total net cash provided by financing activities was \$103,975 and \$76,665 for the periods ended December 31, 2022, and December 31, 2021, respectively. The net decrease was primarily due to the decrease in SBA PPP loans.

Going Concern

The accompanying consolidated financial statements have been prepared assuming we will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business for the twelve-month period following the date of these financial statements. On a consolidated basis, we have incurred significant operating losses since inception. Because we do not expect that existing operational cash flow will be sufficient to fund presently anticipated operations, this raises substantial doubt about our ability to continue as a going concern. Therefore, we will need to raise additional funds and are currently exploring sources of financing. Historically, we have raised capital through private offerings of debt and equity and officer loans to finance working capital needs. There can be no assurances that we will be able to continue to raise additional capital through the sale of common stock or other securities or obtain short-term loans.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our discussion of financial condition and results of operations is based upon the information reported in our financial statements. The preparation of these statements requires us to make assumptions and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses as well as the disclosure of contingent assets and liabilities at the date of our financial statements. We base our assumptions and estimates on historical experience and other sources that we believe to be reasonable at the time. Actual results may vary from our estimates due to changes in circumstances, weather, politics, global economics, mechanical problems, general business conditions, and other factors. Our significant accounting policies are detailed in Note 1 to our financial statements included in this Annual Report. We have outlined below certain of these policies as being of particular importance to the portrayal of our financial position and results of operations and which require the application of significant judgment by our management.

On May 9, 2022, the Board of directors of the Company, after discussion with management, determined that the Company's previously issued financial statements included in the Original Form 10-K need to be restated, to among other things, amend the statements used in the Original Form 10-K regarding the method of accounting it uses. On May 31, 2022, the Company filed an amendment to the Original Form 10-K in which it modified and restated certain statements, including that the Company uses the successful efforts method of accounting for oil and gas activities. Under this method, the costs of productive exploratory wells, all development wells, related asset retirement obligation assets and productive leases are capitalized and amortized, principally by field, on a units-of-production basis over the life of the remaining proved reserves. Exploration costs, including personnel costs, geological and geophysical expenses and delay rentals for oil and gas leases are charged to expense as incurred. Exploratory drilling costs are initially capitalized but charged to expense if and when the well is determined not to have found reserves in commercial quantities. All of our properties are located within the continental United States.

Revenue Recognition. In January 2018, the Company adopted Financial Accounting Standards Board ("FASB") Codification *Revenues from Contracts with Customers (Topic 606)*. The timing of recognizing revenue from the sale of produced crude oil and natural gas was not changed as a result of adopting ASC 606. The Company predominantly derives its revenue from the sale of produced crude oil and natural gas.

The contractual performance obligation is satisfied when the product is delivered to the purchaser. Revenue is recorded in the month the product is delivered to the purchaser. The Company receives payment within one month after pickup. The transaction price includes variable consideration as product pricing is based on published market prices and reduced for contract-specified differentials. The new guidance regarding ASC 606 does not require that the transaction price be fixed or stated in the contract. Estimating the variable consideration does not require significant judgment. Revenue is recognized net of royalties due to third parties in an amount that reflects the consideration the Company expects to receive in exchange for those products. See Note 2 of our financial statements for additional information.

Successful Efforts Method of Accounting. We account for oil and natural gas properties in accordance with the successful efforts method. Under this method, all acquisition costs of proved properties are capitalized and amortized on a unit-of-production basis over the remaining life of the proved reserves. All development costs of proved properties are capitalized and amortized on a unit-of-production basis over the remaining life of the proved developed reserves. Costs of retired, sold, or abandoned properties that constitute a part of an amortization base are charged or credited, net of proceeds, to accumulated depreciation, depletion and amortization unless doing so significantly affects the unit-of-production amortization rate, in which case a gain or loss is recognized in the current period. Gains or losses from the disposal of other properties are recognized in the current period. For assets acquired, we base the capitalized cost on the fair value at the acquisition date. We expense expenditures for maintenance and repairs necessary to maintain properties in operating condition, as well as annual lease rentals, as they are incurred. Estimated dismantlement and abandonment costs are capitalized at their estimated net present value and amortized over the remaining lives of the related assets. Interest is capitalized only during the periods in which these assets are brought to their intended use. We only capitalize the interest on borrowed funds related to our share of costs associated with qualifying capital expenditures.

Impairment of Oil and Natural Gas Properties. We evaluate the impairment of our proved oil and natural gas properties generally on a field-by-field basis or at the lowest level for which cash flows are identifiable, whenever events or changes in circumstance indicate that the carrying value may not be recoverable. We reduce the carrying values of proved properties to fair value when the expected undiscounted future cash flows are less than the net book value. We measure the fair values of proved properties using valuation techniques consistent with the income approach, converting future cash flows to a single discounted amount. Significant inputs used to determine the fair values of proved properties include estimates of (i) reserves; (ii) future operating and development costs; (iii) future commodity prices; and (iv) a risk-adjusted discount rate. These inputs require significant judgments and estimates by our management at the time of the valuation. The most significant financial statement effect from a change in our oil and gas reserves or impairment of its proved properties would be the DD&A rate.

An impairment may not be reversed in future periods even though higher oil and natural gas prices may subsequently increase the ceiling.

Our estimates of reserves and future cash flow as of December 31, 2022, and 2021 were prepared using an average price equal to the unweighted arithmetic average of the first day of the month price for each month within the 12-month periods ended December 31, 2022, and 2021, respectively, in accordance with SEC guidelines. As of December 31, 2022, our reserves are based on an SEC average price of \$92.01 per Bbl of WTI oil posted and \$6.957 per MCF natural gas. As of December 31, 2021, our reserves are based on an SEC average price of \$45.66 per Bbl of WTI oil posted and \$2.51 per MCF natural gas. Prices are adjusted by local field and lease level differentials and are held constant for the life of reserves in accordance with SEC guidelines.

Income Taxes. Deferred income taxes are provided for the difference between the tax basis of assets and liabilities and the carrying amount in our financial statements. This difference will result in taxable income or deductions in future years when the reported amount of the asset or liability is settled. Since our tax returns are filed after the financial statements are prepared, estimates are required in valuing tax assets and liabilities. We record adjustments to the actual values in the period we file our tax returns.

In January 2018, the Company adopted ASC 718, *Compensation – Stock Compensation*.

Recent Accounting Pronouncements

See Note 4 in the notes to our consolidated financial statements for further discussion regarding recently issued accounting standards.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

As a smaller reporting company, we are not required to provide the information required by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of CoJax Oil and Gas Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of CoJax Oil and Gas Corporation ("the Company") as of December 31, 2022, the related consolidated statements of operations, stockholders' equity, and cash flows for the year ended December 31, 2022 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Sadler, Gibb & Associates, LLC

We have served as the Company's auditor since 2022.

Draper, UT
November 17, 2023
PCAOB ID: 3627

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Stockholders of CoJax Oil & Gas Corporation

Opinion on the Financial Statements

We have audited the accompanying balance sheets of CoJax Oil & Gas Corporation (the Company) as of December 31, 2021, and the related consolidated statements of operations, stockholders' deficit, and cash flows for the year ended December 31, 2021, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Haynie & Company

Salt Lake City, Utah
November 17, 2023
PCAOB ID: 457

We began serving as the Company's auditor in 2019. In 2022, we became the predecessor auditor.

CoJax Oil and Gas Corporation
Consolidated Balance Sheets

	As of December 31, 2022	As of December 31, 2021
ASSETS		
Current assets:		
Cash	\$ 37,750	\$ 12,098
Accounts receivable	52,050	-
Prepaid expenses	-	91,667
Total current assets	89,800	103,765
Property and Equipment:		
Oil and gas properties at cost	5,385,080	2,779,802
Less: Accumulated depletion	(39,623)	-
Total property and equipment - net	5,345,457	2,779,802
Total assets	\$ 5,435,257	\$ 2,883,567
LIABILITIES and STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 105,057	\$ 46,261
Workover expense payable	234,396	-
Accrued salaries and payroll taxes	1,642,612	696,452
Current portion of notes payable	10,242	51,663
Notes payable – related party	113,001	-
Total current liabilities	2,105,308	794,376
Long-term liabilities:		
Asset retirement obligations	92,241	84,566
Notes payable, net of current portion	30,724	39,994
Total long-term liabilities	122,965	124,560
Total liabilities	2,228,273	918,936
Stockholders' equity:		
Preferred stock, \$0.10 par value, 50,000,000 current shares authorized, 55,000 and 30,000 Series A shares, \$0.01 par value issued and outstanding at December 31, 2022 and 2021, respectively.	550	300
Common stock, \$0.01 par value, 300,000,000 current shares authorized, 9,114,446 and 5,780,577 shares issued and outstanding at December 31, 2022 and 2021, respectively.	91,144	57,806
Additional paid-in capital	12,249,429	4,803,049
Accumulated deficit	(9,134,139)	(2,896,524)
Total stockholders' equity	3,206,984	1,964,631
Total liabilities and stockholders' equity	\$ 5,435,257	\$ 2,883,567

See accompanying notes to consolidated financial statements.

CoJax Oil and Gas Corporation
Consolidated Statements of Operations

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Revenues	\$ 106,554	\$ 8,160
Operating costs and expenses:		
Lease operating expenses	321,103	31,918
General and administrative expenses	2,111,761	1,461,534
Depletion and accretion on discounted liabilities	42,321	2,416
Impairment expense	3,909,700	-
Total operating costs and expenses	6,384,885	1,495,868
Loss from operations	(6,278,331)	(1,487,708)
Other income (expense):		
Gain on forgiveness of debt	41,665	-
Other income and expense	7	(33)
Interest expense	(956)	(2,455)
Total other income (expense)	40,716	(2,488)
Net loss	\$ (6,237,615)	\$ (1,490,196)
Net loss per common share - basic and diluted	\$ (0.93)	\$ (0.35)
Weighted average number of common shares outstanding during the period - basic and diluted	6,683,773	4,269,524

See accompanying notes to consolidated financial statements.

CoJax Oil and Gas Corporation
Consolidated Statements of Stockholder's Equity
For the years ending December 31, 2022, and December 31, 2021

	Preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total Stockholder's deficit
	Shares	Amount	Shares	Amount			
Balance, December 31, 2020	-	\$ -	3,659,001	\$ 36,590	\$ (18,588)	\$ (1,406,328)	\$ (1,388,326)
Sale of common stock for cash	-	-	17,500	175	34,825	-	35,000
Share-based vendor payments and compensation	-	-	677,836	6,779	1,348,894	-	1,355,673
Preferred shares issued for accrued compensation	30,000	300	-	-	599,700	-	600,000
Share-based compensation	-	-	10,000	100	19,900	-	20,000
Shares issued – note payable debt exchange	-	-	1,350,000	13,500	2,686,500	-	2,700,000
Shares issued – note payable debt exchange – related party	-	-	66,240	662	131,818	-	132,480
Net loss for the year ending December 31, 2021	-	-	-	-	-	\$ (1,490,196)	\$ (1,490,196)
Balance, December 31, 2021	30,000	\$ 300	5,780,577	\$ 57,806	\$ 4,803,049	\$ (2,896,524)	\$ 1,964,631
Common stock issued for services	-	-	233,869	2,338	467,630	-	469,968
Preferred stock issued for accrued officer compensation	25,000	250	-	-	499,750	-	500,000
Shares issued for acquisitions	-	-	3,100,000	31,000	6,479,000	-	6,510,000
Net loss for the year ending December 31, 2022	-	-	-	-	-	(6,237,615)	(6,237,615)
Balance, December 31, 2022	55,000	\$ 550	9,114,446	\$ 91,144	\$ 12,249,429	\$ (9,134,139)	\$ 3,206,984

See accompanying notes to consolidated financial statements.

CoJax Oil and Gas Corporation
Consolidated Statements of Cash Flows

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Operating Activities:		
Net loss	\$ (6,237,615)	\$ (1,490,196)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment loss on oil and gas properties	3,909,700	-
Depletion expense	39,623	-
Gain on forgiveness of debt	(41,665)	-
Accretion of asset retirement obligations	2,698	2,416
Common stock issued for services and salaries	469,969	755,173
Changes in operating assets and liabilities:		
Accounts receivable	(52,050)	-
Prepaid expense	91,667	(91,667)
Accounts payable and accrued liabilities	1,739,350	715,756
Net cash used in operating activities	(78,323)	(108,618)
Investing Activities:		
Net cash used in investment activities	-	-
Financing Activities:		
Proceeds from loans payable – related party	113,001	-
Proceeds from loans payable – SBA PPP loan	-	41,665
Payments of loans payable – SBA PPP Loan	(9,026)	-
Proceeds from the issuance of common stock	-	35,000
Net cash provided by financing activities	103,975	76,665
Net change in cash	25,652	(31,953)
Cash - beginning of period	12,098	44,051
Cash - end of period	\$ 37,750	\$ 12,098
Supplemental disclosure of non-cash investing and financing activities:		
Common stock issued for acquisitions	\$ 6,510,000	\$ -
Common stock issued for note payable debt exchange	\$ -	\$ 2,700,000
Common stock issued for related party notes payable and interest	\$ -	\$ 132,480
Common stock issued for accrued expenses	\$ -	\$ 620,500
Preferred stock issued for accrued compensation	\$ 500,000	\$ 600,000

See accompanying notes to consolidated financial statements.

CoJax Oil and Gas Corporation
Notes to Consolidated Financial Statements
December 31, 2022

NOTE 1 – ORGANIZATION, NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Organization

CoJax Oil & Gas Corporation, a Virginia corporation (“Company”), was incorporated on November 13, 2017. The Company is based in Arlington Virginia, with a wholly owned subsidiary, Barrister Energy LLC (“Barrister Energy”), registered in Mississippi and based in Laurel, Mississippi.

Nature of Operations

The Company is a growing U.S. energy company, engaged in the acquisition and development of lower risk onshore oil and gas producing properties within the Southeastern U.S. The Company’s focused growth strategy relies primarily on leveraging management’s expertise to acquire both operated and non-operated interests in producing properties with the goal of assembling a large oil and gas portfolio. Through this strategy of acquisition of operated and non-operated properties, the Company has the unique ability to benefit from the technical and scientific expertise of world-class exploration and production (“E&P”) companies operating in the area.

Since the company’s inception, it has been engaged in organizational activities and had no revenue-generating operations until the periods covered by this current report. The company has begun to acquire assignments of hydrocarbon revenues and underlying oil and gas exploration and production rights as covered by this current report. The company runs all operations of it’s current acquisitions through Barrister Energy LLC, the operational subsidiary.

The Company focuses on the acquisition of and exploitation of upstream energy assets, specifically targeting select oil and gas mineral interests. These acquisitions are structured primarily as acquisitions of leases, working interests, real property interests and mineral rights and royalties and are generally not regarded as the acquisition of securities, but rather real property interests. As an owner, the Company has the right to receive a portion of the production from the leased acreage (or of the proceeds of the sale thereof). As an owner, the Company also has an obligation for its share of lease operating costs.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant but management continues to monitor the situation.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”) which contemplate the continuation of the Company as a going concern.

NOTE 2 – GOING CONCERN DISCLOSURE

The Company’s consolidated financial statements are prepared in accordance with U.S. GAAP applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal

course of business. There can be no assurance that the Company will be able to achieve its business plan, raise any additional capital, or secure the additional financing necessary to implement its current operating plan. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company has yet to achieve profitable operations, expects to incur further losses in the development of its business, has negative cash flows from operating activities, and is dependent upon future issuances of equity or other financings to fund ongoing operations, all of which raises substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the issuance of these financial statements. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing from stockholders or other sources to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has no formal plan in place to address this concern but considers that the Company will be able to obtain additional funds by equity financing and/or related party advances, however, there is no assurance of additional funding being available or on acceptable terms, if at all.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and of its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas of estimate include the impairment of assets and rates for amortization, accrued liabilities, future income tax obligations, and the inputs used in calculating stock-based compensation. Actual results could differ from those estimates and would affect future results of operations and cash flows.

Reclassifications

Certain prior period amounts have been reclassified to conform with the current year presentation. Reclassifications include combining or further disaggregation of certain line items in the consolidated balance sheets, consolidated statements of operations, and consolidated statements of cash flows. Such reclassifications had no significant impact on our reported net loss, current assets, total assets, current liabilities, total liabilities, shareholders' equity or cash flows.

Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. At December 31, 2022, and December 31, 2021, the Company had no cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consists of oil and gas sales, net of a valuation allowance for doubtful accounts. As of December 31, 2022 and 2021, the allowance for doubtful accounts was \$0 and \$0, respectively.

Oil and Gas Producing Activities

The Company uses the successful efforts method of accounting for oil and gas activities. Under this method, the costs of productive exploratory wells, all development wells, related asset retirement obligation assets, and productive leases are capitalized and amortized, principally by field, on a units-of-production basis over the life of the remaining proved reserves. Exploration costs, including personnel costs, geological and geophysical expenses, and delay rentals for oil and gas leases are charged to expense as incurred. Exploratory drilling costs are initially capitalized but charged to expense if and when the well is determined not to have found reserves in commercial quantities.

Estimates of oil and gas reserves, as determined by independent petroleum engineers, are continually subject to revision based on price, production history and other factors. Depletion expense, which is computed based on the units of production method, could be significantly impacted by changes in such estimates. Additionally, US GAAP requires that if the expected future undiscounted cash flows from an asset are less than its carrying cost, that asset must be written down to its fair market value. As the fair market value of an oil and gas property will usually be significantly less than the total undiscounted future net revenues expected from that asset, slight changes in the estimates used to determine future net revenues from an asset could lead to the necessity of recording a significant impairment of that asset.

Unproved oil and gas properties will be assessed annually to determine whether they have been impaired by the drilling of dry holes on or near the related acreage or other circumstances, which may indicate a decline in value. When impairment occurs, a loss will be recognized. When leases for unproved properties expire, the costs thereof, net of any related allowance for impairment, will be removed from the accounts and charged to expense.

The Company will review its proved oil and natural gas properties for impairment whenever events and circumstances indicate that a decline in the recoverability of its carrying value may have occurred. It estimates the undiscounted future net cash flows of its oil and natural gas properties and compares such undiscounted future cash flows to the carrying amount of the oil and natural gas properties to determine if the carrying amount is recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, the Company will adjust the carrying amount of the oil and natural gas properties to fair value.

During the year ended December 31, 2022, the Company recorded impairments of \$3,909,700 on oil and gas properties. There were no impairments recorded during the year ended December 31, 2021.

Long-Lived Assets

The Company accounts for the impairment or disposal of long-lived assets according to the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 360 "Property, Plant and Equipment". ASC 360 clarifies the accounting for the impairment of long-lived assets and for long-lived assets to be disposed of, including the disposal of business segments and major lines of business. Long-lived assets are reviewed when facts and circumstances indicate that the carrying value of the asset may not be recoverable. When necessary, impaired assets are written down to estimated fair value based

on the best information available. Estimated fair value is generally based on either appraised value or measured by discounting estimated future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could vary significantly from such estimates. The Company did not recognize any impairment losses on long-lived assets during the years ended December 31, 2022 or 2021.

Fair Value of Financial Instruments

The Company had no financial instruments for the year ending December 31, 2022, or for the year ending December 31, 2021.

ASC 820 “Fair Value Measurements and Disclosures” defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) a reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2022 and 2021. The respective carrying values of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments.

Revenue Recognition

On January 1, 2018, the Company adopted ASC 606, Revenue from Contracts with Customers. As the Company had no sales at the time of adoption, the adoption did not require an adjustment to opening retained earnings for the cumulative effect adjustment and did not affect the Company’s previously reported results of operations, nor its ongoing consolidated balance sheets, statements of cash flow, or statements of changes in equity.

Under ASC 606, oil and natural gas sales revenues are recognized when control of the product is transferred to the customer, the performance obligations under the terms of the contracts with customers are satisfied and collectability is reasonably assured. All the Company's oil and natural gas sales are made under contracts with customers. The performance obligations for the Company's contracts with customers are satisfied at a point in time through the delivery of oil and natural gas to its customers. Accordingly, the Company's contracts do not give rise to contract assets or liabilities. The Company typically receives payment within 30 days of the month of delivery. The Company's contracts for oil and natural gas sales are standard industry contracts that include variable consideration based on the monthly index price and adjustments that may include counterparty-specific provisions related to volumes, price differentials, discounts, and other adjustments and deductions.

Revenues consist of the following:

	Year ended December 31, 2022	Year ended December 31, 2021
Crude oil revenues	\$ 99,612	\$ 8,160
Gas revenues	6,942	-
Total revenues	\$ 106,554	\$ 8,160

Stock-Based Compensation

The Company accounts for Stock-Based Compensation under ASC 718 "Compensation – Stock Compensation", which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. Generally accepted accounting principles require measurement of the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized.

The Company issues stock to consultants for various services. The costs for these transactions are measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The value of the common stock is measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instruments is reached or (ii) the date at which the counterparty's performance is complete. The Company recognized consulting expense and a corresponding increase to additional paid-in-capital related to stock issued for services.

Income Taxes

Income taxes are accounted for under ASC 740, using the liability method of accounting for income taxes. Under the liability method, future tax liabilities and assets are recognized for the estimated future tax consequences attributable to differences between the amounts reported in the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantially enacted income tax rates expected to apply when the asset is realized, or the liability settled. The effect of a change in income tax rates on future income tax liabilities

and assets is recognized in income in the period that the change occurs. Future income tax assets are recognized to the extent that they are considered more likely than not to be realized.

ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This standard requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements.

Because of the implementation of this standard, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by ASC 740 and concluded that it had no uncertain tax positions as of December 31, 2022, or as of December 31, 2021.

Basic and Diluted Income per Share

The Company computes income per share in accordance with ASC 260, "Earnings per Share", which requires the presentation of both basic and diluted earnings per share ("EPS") on the face of the consolidated statement of operations. Basic EPS is computed by dividing income available to common stockholders by the weighted average number of shares outstanding during the period. Diluted EPS gives effect to all dilutive potential shares of common stock outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. As of December 31, 2022 and 2021, the Company had 550,000 and 300,000 potentially dilutive common shares outstanding, respectively.

Asset Retirement Obligations

The Company records the estimated fair value of obligations associated with the retirement of tangible, long-lived assets in the period in which they are incurred. When a liability is initially recorded, the Company capitalizes the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value, and the capitalized cost is depleted over the useful life of the related asset.

Revisions to estimated asset retirement obligations will result in an adjustment to the related capitalized asset and corresponding liability. Upon settlement of the liability, the Company either settles the obligation for its recorded amount or incurs a gain or loss. The Company's asset retirement obligation relates to the plugging, dismantling, removal, site reclamation, and similar activities of its oil and gas properties.

Asset retirement obligations are estimated at the present value of expected future net cash flows and are discounted using the Company's credit adjusted risk free rate. The Company uses unobservable inputs in the estimation of asset retirement obligations that include, but are not limited to: costs of labor, costs of materials, profits on costs of labor and materials, the effect of inflation on estimated costs, and discount rate. Due to the subjectivity of assumptions and the relative long lives of the Company's leases, the costs to ultimately retire the Company's obligations may vary significantly from prior estimates. Assumptions used in determining estimates are reviewed annually.

Concentration of Credit Risk

Our revenue can be materially affected by current economic conditions and the price of oil and natural gas. However, based on the current demand for crude oil and natural gas and the fact that alternative purchasers are readily available, we believe that the loss of our marketing agents and/or any of the purchasers identified by our marketing agents would not have a long-term material adverse effect on our financial position or results of international operations. The continued economic disruption resulting from Russia's invasion of Ukraine, a potential global recession, and other varying macroeconomic conditions could materially impact the Company's business in future periods. Any potential disruption will depend on the duration and intensity of these events, which are highly uncertain and cannot be predicted at this time.

NOTE 4 – RECENT ACCOUNTING PRONOUNCEMENTS

Management does not believe any recently issued but not yet effective accounting pronouncements if adopted, would have a material effect on the Company's present or future financial statements.

NOTE 5 –ROYALTY INTERESTS IN OIL AND GAS PROPERTIES

2022 Transactions

On November 8, 2022, the Company approved and authorized, by unanimous written consent, the issuance of 1,600,000 shares of common stock, \$0.01 par value per share, valued at \$2.10 per share, to Taxodium Energy LLC, a Mississippi limited liability company ("Taxodium"), in consideration for the sale and assignment of various mineral and oil and gas royalty interests in and to certain properties located in Mississippi and Alabama to Barrister Energy LLC, a wholly-owned subsidiary of the Company organized under the laws of Mississippi. This acquisition was effective as of October 1, 2022.

During the year ended December 31, 2022, this property was impaired by \$2,085,100.

On December 2, 2022, the Company approved and authorized, by unanimous written consent, the issuance of 1,500,000 shares of common stock, \$0.01 par value per share, valued at \$2.10 per share, to Taxodium. At the request and the instructions of Taxodium, the Company issued the Shares to all members of Taxodium on the pro rata basis of their ownership interest in Taxodium.

The Shares were issued by the Company in consideration of the sale and assignment of the wells, facilities, and all of the Assignor's title, rights, and interest in and to certain properties located in Mississippi, collectively known as "Buckley," to Barrister Energy LLC, a wholly-owned subsidiary of the Company organized under the laws of Mississippi. The Assignment was completed on December 2, 2022, with an effective date of October 15, 2022, for accounting purposes.

2020 Transactions

On November 17, 2020, the Company completed the acquisition of Barrister Energy, LLC and the oil and gas properties of Barrister Energy, LLC, (the "Acquisition"). The acquired properties consist of 700 gross acres and include a 95% average working interest and a 79% average net revenue interest.

The Acquisition was recognized as an asset acquisition whereby CoJax recorded the assets acquired and the liabilities assumed at the historical cost to Barrister as of November 17, 2020. Revenues and related

expenses for the Acquisition are included in our consolidated statement of operations beginning June 16, 2020, which is the date the Company obtained control of the properties.

The \$2.7 million, zero interest, long-term note was payable to Central Operating, LLC at the signing of the Purchase and Sale Agreement on June 16, 2020. The note payable was settled through a debt exchange agreement on November 19, 2021, with the issuance of 1,350,000 shares of common stock. The Acquisition payable was settled at the closing on November 17, 2020, through the issuance of 3,650,000 shares of common stock. The Company incurred \$620,500 in non-capitalizable acquisition-related costs, which were recognized in general and administrative expense during the year ended December 31, 2020.

During the year ended December 31, 2022, this property was impaired by \$1,824,600.

At December 31, 2022, and December 31, 2021, through the Company's acquisition of Barrister Energy, LLC had leased oil and gas properties assets valued at \$5,505,457 and \$2,779,802, respectively.

	As of December 31, 2022	As of December 31, 2021
Beginning balance	\$ 2,779,802	\$ 2,779,802
Additions to proved reserves	6,556,187	-
Revisions of prior year ARO estimates	(41,209)	-
Depletion expense	(39,623)	-
Impairment expense	(3,909,700)	-
Ending Balance	\$ 5,345,457	\$ 2,779,802

We recorded depletion expense of \$0.04 million and \$0.0 million for the years ended December 31, 2022, and 2021, respectively.

In connection with fair value assessments for oil and gas proved properties, we recorded long-lived asset impairments of \$3.9 million in our consolidated statement of operations.

NOTE 6 – NOTES PAYABLE

	December 31, 2022	December 31, 2021
On May 7, 2020, the Company applied for a Small Business Association (SBA) loan under the Paycheck Protection Program (PPP). The Company met all the necessary qualifications to apply for a \$49,992 loan. On June 10, 2020, the SBA PPP loan was approved and transferred to the Company to be used for payment of accrued payroll and related payroll taxes. On November 29, 2021, the Company was notified that the request for forgiveness was denied. The note has been converted to a five-year loan at 1% interest beginning on January 1, 2022.	\$ 40,966	\$ 49,992
On May 4, 2021, the Company applied for a Small Business Association (SBA) loan under the Paycheck Protection Program (PPP). The Company met all the necessary qualifications to apply for a \$41,665 loan. On May 9, 2021, the SBA PPP loan was approved and transferred to the Company to be used for payment of accrued payroll and related payroll taxes. We do not expect to be required to repay any portion of the loan. 100% of the funds were disbursed for salaries and payroll taxes in 2021.	-	\$ 41,665

Notes payable	\$ 40,966	\$ 91,657
Less: current portion	(10,242)	(51,663)
Notes payable net of current portion	\$ 30,724	\$ 39,994

Related Party

The Company was a party to several loans with related parties. The note holder is the CEO and Executive Chairman of the Company. At December 31, 2022, and 2021, notes payable consisted of the following:

	December 31, 2022	December 31, 2021
On January 24, 2022, the Company's Executive Chairman loaned \$20,000 to the Company, and the Company issued a promissory note for such amount. The promissory note is unsecured and bears interest at 2% per annum principal and accrued interest matures on January 24, 2023.	\$ 20,000	\$ -
On April 21, 2022, the Company's Executive Chairman loaned \$18,000 to the Company, and the Company issued a promissory note for such amount. The promissory note is unsecured and bears interest at 2% per annum principal and accrued interest matures on April 21, 2023.	\$ 18,000	\$ -
On August 23, 2022, the Company's Executive Chairman loaned \$20,000 to the Company, and the Company issued a promissory note for such amount. The promissory note is unsecured and bears interest at 2% per annum principal and accrued interest matures on August 23, 2023.	\$ 20,000	\$ -
On September 15, 2022, the Company's Executive Chairman loaned \$15,000 to the Company, and the Company issued a promissory note for such amount. The promissory note is unsecured and bears interest at 2% per annum principal and accrued interest matures on September 16, 2023.	\$ 15,000	\$ -
On October 25, 2022, the Company's Executive Chairman loaned \$20,000 to the Company, and the Company issued a promissory note for such amount. The promissory note is unsecured and bears interest at 2% per annum principal and accrued interest matures on October 25, 2023.	\$ 20,000	\$ -
On December 8, 2022, the Company's Executive Chairman loaned \$20,000 to the Company, and the Company issued a promissory note for such amount. The promissory note is unsecured and bears interest at 2% per annum principal and accrued interest matures on December 8, 2023.	\$ 20,001	\$ -
Notes payable – related party	\$ 113,001	\$ -

On October 10, 2023, all outstanding notes with the Company's CEO and Executive Chairman were extended to have a maturity date of May 13, 2024.

During the years ended December 31, 2022 and 2021 the Company recorded interest expense of \$956 and \$2,455, respectively.

NOTE 7 – RELATED PARTY TRANSACTIONS

For the year ending December 31, 2022, there were six related party transactions (see NOTE 6) between the Company's Executive Chairman and the Company. There were no other related party transactions between any of the Company's directors or executive officers or any person nominated or chosen by the Company to become a director or executive officer.

For the year ending December 31, 2021, there were no related party transactions (see NOTE 6) between the Company's Executive Chairman and the Company. There were no other related party transactions between any of the Company's directors or executive officers or any person nominated or chosen by the Company to become a director or executive officer.

On January 4, 2022, the Company issued 12,500 shares of Series A convertible preferred stock to Jeffrey J. Guzy, the Company's CEO, and 12,500 shares of Series A convertible stock to Wm. Barrett Wellman, the Company's CFO. Each share is convertible at the option of the holder to ten (10) shares of common stock. Since these shares were not issued until 2022 the fair value of \$500,000 (\$20 per share) has been recorded as part of accrued salaries and payroll taxes. The fair value was based on the value assigned to common stock (\$2 per share) multiplied by 10.

On January 4, 2021, the Company issued 20,000 shares of Series A convertible preferred stock to Jeffrey J. Guzy, the Company's CEO, and 10,000 shares of Series A convertible stock to Wm. Barrett Wellman, the Company's CFO. Each share is convertible at the option of the holder to ten (10) shares of common stock. Since these shares were not issued until 2021 the fair value of \$600,000 (\$20 per share) has been recorded as part of accrued salaries and payroll taxes. The fair value was based on the value assigned to common stock (\$2 per share) multiplied by 10.

NOTE 8 – STOCKHOLDER'S EQUITY

Authorized Capital

The Company has 300,000,000 authorized shares of Common Stock at \$0.01 par value and 50,000,000 authorized shares of Preferred Stock at a par value of \$0.10, and Series A convertible shares at a par value of \$0.01. The Company had 9,114,446 and 5,780,576 shares of Common Stock issued and outstanding as of December 31, 2022 and 2021, respectively. The Company had 55,000 and 30,000 shares of Preferred Stock issued and outstanding as of December 31, 2022 and 2021, respectively.

Preferred Stock

The holders of Preferred Stock are entitled to receive dividends equal to the amount of the dividend or distribution per share of common stock payable multiplied by the number of shares of common stock the shares of Series A preferred shares held by such holder are convertible into. Each Series A preferred shares is convertible into ten common shares.

During the year ending December 31, 2022, the Company issued 25,000 shares of Series A convertible preferred stock to its officers for accrued compensation (see NOTE 7).

During the year ending December 31, 2021, the Company issued 30,000 shares of Series A convertible preferred stock to its officers for accrued compensation (see NOTE 7).

Common Stock

On October 1, 2022, the Company issued 1,600,000 shares as part of the NONOP acquisition. On October 15, 2022, the Company issued 1,500,000 shares as part of the Buckley acquisition.

Additionally during the year ended December 31, 2022, the Company issued 180,000 shares, 31,554 shares, and 22,315 shares for vendor payments at share prices of \$2.00 per share, \$2.12 per share, and \$2.10 per share, respectively.

During the year ending December 31, 2021, the Company issued 1,350,000 at \$2.00 per share in a debt exchange.

Additionally, the Company issued 677,836 shares for vendor payments, 10,000 shares for stock-based compensation, and 66,240 shares for related party note payable debt exchange, all at \$2.00 per share.

The above shares of capital stock are restricted securities under Rule 144 and were issued in reliance on an exemption from the registration requirements of the Securities Act.

During the year ended December 31, 2021, the Company issued 17,500 shares at a share price of \$2.00 for cash proceeds of \$35,000.

NOTE 9 - INCOME TAXES

The Company provides for income taxes using the liability method in accordance with ASC 740 "Income Taxes". Deferred income taxes arise from the differences in the recognition of income and expenses for tax purposes. There were no deferred tax assets or liabilities at December 31, 2022 and 2021.

Management has reviewed the provisions regarding the assessment of their valuation allowance on deferred tax assets and based on those criteria determined that it would not have sufficient taxable income to realize those assets. Therefore, management has assessed the realization of the deferred tax assets and has determined that it is more likely than not that they will not be realized and has provided a full valuation allowance against the deferred tax asset.

The Company recognizes the financial statement effect of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Company is subject to income taxes in the U.S. federal jurisdiction and the state of Virginia. The tax regulations within each jurisdiction are subject to the interpretation of related tax laws and regulations and require significant judgment to apply. The Company is not presently undergoing any tax audits. As of December 31, 2022, the tax years that remain subject to examination are 2021, 2020, 2019, 2018, and 2017 for Federal and 2021, 2020, 2019, 2018, and 2017 for the state.

The Company will apply the federal and state net operating loss ("NOL") carry-forward in FY 2022 and later years.

Income Taxes

On December 22, 2017, the United States Government passed new tax legislation that, among other provisions, will lower the corporate tax rate from 35% to 21%. In addition to applying the new lower corporate tax rate in 2018 and thereafter to any taxable income we may have, the legislation affects the way we can use and carry forward net operating losses previously accumulated and results in a revaluation of deferred tax assets recorded on our balance sheet. Given that the deferred tax assets are offset by a full valuation allowance, these changes have no net effect on the Company's financial position and net loss. However, when we become profitable, we will receive a reduced benefit from such deferred tax assets.

A reconciliation of the income tax provision computed at statutory rates to the reported tax provision is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Federal income tax rate	21.0%	21.0%
Loss before income taxes	\$ (6,237,615)	\$ (1,490,196)
Non-deductible expenses	-	-
Taxable loss	\$ (6,237,615)	\$ (1,490,196)
Expected approximate tax recovery on net loss	\$ (1,309,899)	\$ (312,941)
Changes in valuation allowance	1,309,899	312,941
Income tax	\$ -	\$ -

The component of the Company's deferred tax asset is as follows:

	As of December 31, 2022	As of December 31, 2021
Deferred income tax assets:		
Net operating losses carried forward	\$ 966,814	\$ 482,269
Impairments	821,037	-
Other	19,370	-
Total gross deferred income tax assets	\$ 1,807,222	\$ 482,269
Less: valuation allowance	(1,807,222)	(482,269)
Net deferred tax asset	\$ -	\$ -

The Company has a valuation allowance against the full amount of its net deferred tax assets due to the uncertainty of the realization of the deferred tax assets.

At December 31, 2022, and December 31, 2021, the Company has incurred accumulated net operating losses in the United States of America totaling \$4,603,877 and \$2,896,524 respectively which are available to reduce taxable income in future taxation years.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Operating Lease Commitments

The Company has no lease obligations at December 31, 2022 and 2021. The Company has a month-to-month rental agreement for an office share in Arlington, Virginia beginning on April 1, 2018, for \$50 per month. Additionally, the Company has no known contingencies as of December 31, 2022, and December 31, 2021.

Purchase Commitments

The Company has no purchase obligations at December 31, 2022 and 2021.

Significant Risks and Uncertainties

Concentration of Credit Risk – Cash – The Company maintains cash and cash equivalent balances at a single financial institution that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022, and December 31, 2021, the Company had no exposure in excess of insurance.

Concentration of Credit Risk – Accounts Receivable – All of the Company's outstanding accounts receivable was with one party, Taxodium Energy, LLC.

Legal Matters

During the course of business, litigation commonly occurs. From time to time, the Company may be a party to litigation matters involving claims against the Company. The Company operates in a highly regulated industry and employs personnel, which may inherently lend itself to legal matters. Management is aware that litigation has associated costs and that results of adverse litigation verdicts could have a material effect on the Company's financial position or results of operations.

There are no known legal proceedings against the Company or its officers and directors in their capacity as officers and directors of the Company.

NOTE 11 – ASSET RETIREMENT OBLIGATION

Changes in the asset retirement obligation were as follows:

	As of December 31, 2022	As of December 31, 2021
Beginning balance	\$ 84,566	\$ 82,149
Liabilities acquired	-	-
Liabilities incurred	46,397	-
Liabilities settled	-	-
Accretion expense	2,698	2,416
Revisions	(41,420)	-
Ending Balance	\$ 92,241	\$ 84,566



NOTE 12 – RESERVE AND RELATED FINANCIAL DATA - UNAUDITED

Disclosure of Reserves

The table below summarizes our estimated net proved reserves, as of December 31, 2022, based on a reserve report prepared by Netherland Sewell & Associates, Inc. (NSAI), our third-party independent reserve engineers. In preparing its report, NSAI evaluated properties representing all of our proved reserves at December 31, 2022 in accordance with the rules and regulations of the SEC applicable to companies involved in oil and natural gas producing activities. Our estimated net proved reserves in the table below do not include probable or possible reserves and do not in any way include or reflect our commodity derivatives.

	As of December 31, 2022
Proved Reserves	
Developed	
Natural Gas (Mmcf)	36
Oil (Mbbbl)	189
Undeveloped	
Natural Gas (Mmcf)	-
Oil (Mbbbl)	-
Total Proved Reserves (BOE)	195

The table above values oil and natural gas reserve quantities as of December 31, 2022, assuming constant realized prices of \$92.01 per barrel of oil and \$6.957 per Mcf of natural gas. Under SEC guidelines, these prices represent the average prices per barrel of oil and per Mcf of natural gas at the beginning of each month in the 12-month period prior to the end of the reporting period, after adjustment to reflect applicable transportation and quality differentials.

Standardized Measure

The standardized measure of discounted future net cash flows and changes in such cash flows are prepared using assumptions required by the Financial Accounting Standards Board. Such assumptions include using 12-month average prices for oil and gas, based on the first-day-of-the-month price for each month in the period, and year-end costs for estimated future development and production expenditures to produce year-end estimated proved reserves.

Discounted future net cash flows are calculated using a 10% rate. Estimated future income taxes are calculated by applying year-end statutory rates to future pre-tax net cash flows, less the tax basis of related assets and applicable tax credits.

The estimated well abandonment costs are deducted from the standardized measure using year-end costs and discounted at 10%. Such abandonment costs are recorded as a liability on the consolidated balance sheet, using estimated values as the projected abandonment date and discounted using a risk-adjusted rate when the well is drilled or acquired.



The standardized measure does not represent management's estimate of the Company's future cash flows or the value of proved oil and gas reserves. Probable and possible reserves, which may become proved in the future, are excluded from the calculations. Furthermore, prices used to determine the standardized measure are influenced by supply and demand as affected by recent economic conditions and other factors and may not be the most representative in estimating future revenues or reserve data.

The table below reflects the standardized measure of discounted future net cash flows related to the Company's interest in proved reserves.

	Year Ended December 31, 2022
(in thousands)	
Future cash inflows	\$ 17,680
Future production costs	3,192
Future development and abandonment costs	485
Future tax expense	2,941
Future net cash flows	11,062
10% annual discount for estimated timing of cash flows	4,305
Standardized measure of discounted future net cash flows	<u>\$ 6,757</u>

The principal changes in the standardized measure of discounted future net cash flows attributable to the Company's proved reserves are as follows:

	Year Ended December 31, 2022
(in thousands)	
Balance at December 31, 2021	\$ -
Purchase of minerals in place	6,002
Net change due to extensions, discoveries and improved recovery	756
Balance at December 31, 2022	<u>\$ 6,757</u>

NOTE 13 - SUBSEQUENT EVENTS

The Company has evaluated all events that occurred after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The management of the Company determined that there were no reportable subsequent events to be disclosed beyond the following:

Issuance of Preferred Stock

On January 25, 2023, the Company issued 25,000 shares of its Series A convertible preferred stock to Jeffrey J. Guzy, the Company's CEO, and 25,000 shares of Series A convertible stock to Wm. Barrett Wellman, the Company's CFO. Each share is convertible at the option of the holder to ten (10) shares of common stock. Since these shares were not issued until 2023 the total fair value of \$1,064,500 (\$21.30

per share) has been recorded as part of accrued salaries and payroll taxes. The fair value was based on the value assigned to common stock (\$2.13 per share) multiplied by 10.

Issuance of Common Stock

On January 31, 2023, the Company issued 20,642 shares for vendor payments at \$2.13 per share.

On February 1, 2023, the Company issued 120,000 shares for consulting fees at \$2.13 per share.

On March 1, 2023, the Company issued 5,000 shares of common stock at \$2.00 per share.

On June 1, 2023, the Company issued 14,217 shares for vendor payments at \$2.20 per share.

On June 12, 2023, the Company issued 35,000 shares for payment to William R. Downs at \$2.00 per share.

On July 23, 2023, the Company issued 7,107 shares for vendor payments at \$2.20 per share.

On August 20, 2023, the Company issued 4,409 shares for vendor payments at \$1.00 per share.

Related Party Notes Payable

On October 10, 2023, all outstanding notes with the Company's CEO and Executive Chairman were extended to have a maturity date of May 13, 2024.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation and subject to the foregoing, our principal executive officer and principal financial officer concluded that, our disclosure controls and procedures were not effective as of December 31, 2022, due to the material weaknesses in internal control over financial reporting described below.

Management’s Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company’s internal control over financial reporting is a process designed under the supervision of its principal executive and principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of its consolidated financial statements for external reporting purposes in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Material Weaknesses in Internal Control over Financial Reporting

Management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2022, based on the framework established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this assessment, management has determined that the Company's internal control over financial reporting as of December 31, 2022, was not effective.

A material weakness, as defined in the standards established by the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The ineffectiveness of the Company's internal control over financial reporting was due to the following material weaknesses:

- Inadequate segregation of duties consistent with control objectives;
- Lack of formal policies and procedures;
- Lack of a functioning audit committee and independent directors on the Company's board of directors to oversee financial reporting responsibilities; and
- Lack of risk assessment procedures on internal controls to detect financial reporting risks on a timely manner.

Management's Plan to Remediate the Material Weakness

Management has been implementing and continues to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated, such that these controls are designed, implemented, and operating effectively. The remediation actions planned include:

- Continue to search for and evaluate qualified independent outside directors;
- Identify gaps in our skills base and the expertise of our staff required to meet the financial reporting requirements of a public company; and
- Continue to develop policies and procedures on internal control over financial reporting and monitor the effectiveness of operations on existing controls and procedures.

We are committed to maintaining a strong internal control environment and believe that these remediation efforts will deliver improvements in our control environment. Our management will continue to monitor and evaluate the relevance of our risk-based approach and the effectiveness of our internal controls and procedures over financial reporting on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

This Annual Report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report, which may increase the risk that weaknesses or deficiencies in our internal control over financial reporting go undetected.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our fourth fiscal quarter that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Executive Officers and Directors

The following table sets forth information regarding our current directors and executive officers:

Name	Age	Position
Jeffrey J. Guzy	72	Chief Executive Officer, Director
Wm. Barrett Wellman	75	Chief Financial Officer
William Allan Bradley	56	Director

Our directors hold office until the next annual meeting of stockholders of the Company and until their successors have been elected and qualified. Our officers are elected by the Board and serve at the discretion of the Board.

Biographies

Mr. Guzy, age 72, has been our Chief Executive Officer since January 22, 2020, and a director since November 17, 2017. He served as our Chief Financial Officer from November 17, 2017, through March 16, 2020.

Mr. Guzy has served as an outside director of Leatt Corp. (OTC Trading Symbol: LEAT), since April 2007. Mr. Guzy also served, from October 2007 to August 2010, as Leatt Corp's President. Mr. Guzy has served as an executive manager or consultant for business development, sales, customer service, and management in the telecommunications industry, specifically, with IBM Corp., Sprint International, Bell Atlantic Video Services, Loral CyberStar, and FaciliCom International. Mr. Guzy has also started his own telecommunications company providing Internet services in Western Africa. He serves as an independent director and chairman of the audit committee of Capstone Companies, Inc. (OTC Trading Symbol: CAPC). Since 2020, he has also served as an independent director of Brownies Marine Group, Inc. (OTC Trading Symbol: BWMG). Mr. Guzy has an MBA in Strategic Planning and Management from The Wharton School of the University of Pennsylvania, an M.S. in Systems Engineering from the University of Pennsylvania; a B.S. in Electrical Engineering from Penn State University; and a Certificate in Theology from Georgetown University. Mr. Guzy's management and extensive experience led to the conclusion that he should serve as a director.

Mr. Wellman, age 75, has been our Chief Financial Officer since March 16, 2020. Mr. Wellman has over 30 years of business experience as an accountant, controller, chief financial officer, chief information officer, and senior executive for various companies and two large accounting firms. Since 2006, Mr. Wellman has maintained a financial consulting business in Arlington, Virginia. He has an MBA from Marshall University and a B.S. in Accounting from the University of Charleston.

Mr. Bradley, age 56, has served as our director since March 7, 2022. Mr. Bradley has over fifteen years of leadership, business consulting, financial, and management experience for publicly traded and private companies. Since June 2011, Mr. Bradley served as M&A/Business Consulting Managing Director and Chief Financial Officer at Global Advisors Inc. where he provided business consulting services,



reviewed client's financial positions and managed relationships, conducted financial reviews, including the PCAOB or IFRS audit process, and provided his consulting business advice on restructuring and potential mergers and acquisitions. Since September 2018 he has served as the Chairman of the Board of Magagram Social Media Inc., a Toronto-based private company, from December 2006 to June 2011 as Chief Executive Officer of Ocean to Ocean Inc., and from January 2002 until November 2006, as Vice President of Gourmet Foods International. Mr. Bradley graduated from York University in 1998 in Finance and Economics and received his undergraduate degree with honors in 1991 in Business Finance from Sandford College.

Board Committees

We currently do not have any committees of our Board of Directors.

Family Relationships

There are no family relationships among any of our officers or directors.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our principal executive, financial and accounting officers (or persons performing similar functions).

Involvement in Certain Legal Proceedings

To our knowledge, our directors and executive officers have not been involved in any of the following events during the past ten years:

1. any bankruptcy petition filed by or against such person or any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
3. being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from or otherwise limiting his involvement in any type of business, securities or banking activities or to be associated with any person practicing in banking or securities activities;
4. being found by a court of competent jurisdiction in a civil action, the SEC or the Commodity Futures Trading Commission to have violated a Federal or State securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
5. being subject of, or a party to, any Federal or State judicial or administrative order, judgment decree, or finding, not subsequently reversed, suspended, or vacated, relating to an alleged violation of any Federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
6. being subject of or party to any sanction or order, not subsequently reversed, suspended, or vacated, of any self-regulatory organization, any registered entity, or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Compensation of Directors

2022 Director Compensation Table

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Jeffrey J. Guzy	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
William A. Bradley	2022	10,000	-	-	-	-	-

For the years ended December 31, 2022, and 2021, no compensation has been paid to our directors in consideration for their services rendered in their capacities as directors.

Outstanding Equity Awards at Fiscal Year-End

There are no current outstanding equity awards to our executive officers as of December 31, 2022.

Long-Term Incentive Plans

There are no arrangements or plans in which we provide pension, retirement, or similar benefits for directors or executive officers.

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information concerning all cash and non-cash compensation awarded to, earned by or paid to our Chief Executive Officer and the other executive officer with compensation exceeding \$100,000 during 2022 and 2021 (each a "Named Executive Officer").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)(2)	All Other Compensation (\$)	Total (\$)
Jeffrey J. Guzy(1)	2022	\$ 120,000	\$ -	\$ -	\$ -	\$ -
	2021	\$ 120,000	\$ -	\$ -	\$ -	\$ -
Wm. Barrett Wellman (2)	2022	\$ 100,000	\$ -	\$ -	\$ -	\$ -
	2021	\$ 100,000	\$ -	\$ -	\$ -	\$ -

(1) Mr. Guzy was appointed Chief Executive Officer on January 22, 2020. Jeffrey Guzy has a base annual salary of \$120,000, payable on a semi-monthly basis in equal installments, but the base salary is deferred until the Company has sufficient cash flow to pay the base salary. Further, the base salary can either be paid in total when Company is adequately funded, or the accrued unpaid base salary can be converted into shares of the CoJax Common Stock at the lower conversion price of the initial public offering price of \$2.00 or current market price at the time of conversion by Mr. Guzy.

(2) Mr. Wellman was appointed Chief Financial Officer on March 16, 2020. Mr. Wellman's base salary is \$100,000, payable semi-monthly in equal installments, but the base salary is deferred until the Company has sufficient cash flow to pay the base

salary. Alternatively, the accrued unpaid base salary can be converted into shares of the CoJax Common Stock at the lower conversion price of the initial public offering price of \$2.00 or current market price at the time of conversion by Mr. Wellman.

Employment Agreements with Key Executives

Jeffrey Guzy's employment agreement dated January 24, 2020, provides, in part, for:

- (1) the term of the employment agreement is three years;
- (2) a base annual salary of \$120,000 payable semi-monthly in equal installments, but the base salary is deferred and only will be paid when the Company is adequately funded, or the accrued unpaid base salary can be converted into shares of the CoJax Common Stock at the lower conversion price of the initial public offering price of \$2.00 or current market price at the time of conversion by Mr. Guzy;
- (3) Mr. Guzy is eligible for an ad hoc performance bonus if and in an amount approved by the disinterested directors when and if CoJax appoints disinterested directors;
- (4) Mr. Guzy may participate in any incentive compensation and other benefit plans to the extent that he is eligible to do so;
- (5) continuation of Mr. Guzy's under the Company's health insurance and other benefit plans for 24 months after any termination of his employment for a good reason (as defined in the employment agreement);
- (6) imposes confidentiality and non-recruitment of Company employees obligations on Mr. Guzy for one year after the end of employment;
- (7) the employment agreement provides that the Company can terminate Mr. Guzy's employment for cause (as defined in the employment agreement) and for Mr. Guzy to terminate the employment agreement for "good reason" (as defined in the employment agreement); and
- (8) If Mr. Guzy terminates the employment for a good reason, then he would be entitled to: A cash payment, payable in equal installments over a six (6) month period after Mr. Guzy terminates employment, equal to the sum of the following:

Base Annual Salary. Subject to the payment of the following sums not causing the insolvency of the Company, the equivalent of the greater of (i) twenty-four (24) months of Mr. Guzy's then-current base salary or (ii) the remainder of the term of the employment agreement (the "Severance Period"); plus

Earned but Unpaid Amounts. Any previously earned but unpaid salary through Mr. Guzy's final date of employment, being Mr. Guzy's termination of employment.

Further, the employment agreement also provides the following indemnification to Mr. Guzy: CoJax shall indemnify and save harmless Mr. Guzy for any liability incurred by reason of any act or omission performed by Mr. Guzy while acting in good faith on behalf of the Company. Within the scope of the authority of his pursuant to the employment agreement and the fullest extent provided under the CoJax Bylaws, the CoJax Amended and Restated Articles of Incorporation and the Virginia Stock Corporation Act, except that Mr. Guzy must have in good faith believed that such action was in, or not opposed to, the best interests of CoJax, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such conduct was unlawful. No indemnification barred by regulations or policies of the SEC or in clear violation of public policy will be permitted under the employment agreement.

On February 14, 2023, the Company entered into a new employment agreement with Mr. Guzy (the "Guzy 2023 Employment Agreement"), pursuant to which Mr. Guzy will continue serving the Company as Chief Executive Officer, President and Chairman of the Company. The Guzy 2023 Employment Agreement has a 3-year term through February 14, 2026, unless terminated earlier pursuant to the terms of the Guzy

2023 Employment Agreement. Pursuant to the Guzy 2023 Employment Agreement, Mr. Guzy will be paid a base salary of \$120,000 per annum, which salary will accrue and can either be paid in total when the Company is adequately funded or, alternatively, the accrued unpaid base salary can be converted into shares of the Company's common stock at the lower conversion price of the initial public offering price of \$2.00 or current market price at the time of conversion by Mr. Guzy. Pursuant to the Guzy 2023 Employment Agreement, Mr. Guzy may participate in any incentive compensation and other benefit plans may be granted bonus performance bonus payments to be paid in cash, stock, or both. In addition, the Guzy 2023 Employment Agreement includes provisions for paid vacation time and expense reimbursement.

The Guzy 2023 Employment Agreement may be terminated (i) immediately upon Mr. Guzy's death or Disability; (ii) by the Company for Cause; (iii) by Mr. Guzy for Good Reason (as these terms are defined in the Guzy 2023 Employment Agreement or (iv) other than for Cause or Good Reason, by Mr. Guzy or the Company upon not less than sixty (60) days prior written notice of termination. If Mr. Guzy terminates the employment for a Good Reason, then he would be entitled to: a cash payment, payable in equal installments over a six (6) month period after Mr. Guzy terminates employment, equal to the sum of the following: (a) subject to the payment of the following sums not causing the insolvency of the Company, the equivalent of the greater of (i) twenty-four (24) months of Mr. Guzy's then-current base salary or (ii) the remainder of the term of the Guzy 2023 Employment Agreement; plus (b) any previously earned but unpaid salary through Mr. Guzy's final date of employment, being Mr. Guzy's termination of employment.

Wm. Barrett Wellman's employment agreement, dated March 16, 2020, provides for:

CoJax signed an employment agreement for Mr. Wellman's services as Chief Financial Officer on March 16, 2020. Under the employment agreement:

- (1) the term of the employment agreement is 3 years;
- (2) a base annual salary of \$100,000 payable semi-monthly in equal installments, but the base salary can either be paid in total when CoJax is adequately funded or, alternatively, the accrued unpaid base salary can be converted into shares of the CoJax common stock at the lower conversion price of the initial public offering price of \$2.00 or current market price at the time of conversion by Mr. Wellman;
- (3) Mr. Wellman is eligible for an ad hoc performance bonus if and in an amount approved by the disinterested directors;
- (4) Mr. Wellman may participate in any incentive compensation and other benefit plans to the extent that he is eligible to do so;
- (5) continuation of Mr. Wellman's benefits under CoJax's health insurance and other benefit plans for 24 months after any termination of his employment for good reason (as defined in the employment agreement);
- (6) imposes confidentiality and non-recruitment of Company employees obligations on Mr. Wellman for one year after end of employment, and
- (7) the employment agreement provides for CoJax to terminate Mr. Wellman's employment for cause (as defined in the employment agreement) and for Mr. Wellman to terminate the employment agreement for "good reason" (as defined in the employment agreement).

Mr. Wellman's unpaid base salary is deferred if unpaid at the time due.

If Mr. Wellman terminates the employment for a good reason, then he would be entitled to: A cash payment, payable in equal installments over a six (6) month period after Mr. Wellman terminates employment, equal to the sum of the following:

Base Annual Salary. Subject to the payment of the following sums subject to not causing the insolvency of the Company, the equivalent of the greater of (i) twenty-four (24) months of Mr. Wellman's then-current base salary or (ii) the remainder of the term of the employment agreement (the "Severance Period"); plus

Earned but Unpaid Amounts. Any previously earned but unpaid salary through Mr. Wellman's final date of employment, Mr. Wellman's termination of employment.

The employment agreement also provides the following indemnification to Mr. Wellman: The Company shall indemnify and save harmless Mr. Wellman for any liability incurred by reason of any act or omission performed by Mr. Wellman while acting in good faith on behalf of the Company. Within the scope of the authority of his pursuant to the employment agreement and the fullest extent provided under the CoJax Bylaws, the CoJax Amended and Restated Articles of Incorporation and the Virginia Stock Corporation Act, except that Mr. Wellman must have in good faith believed that such action was in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such conduct was unlawful. No indemnification barred by regulations or policies of the SEC or in clear violation of public policy will be permitted under the employment agreement.

Mr. Wellman's Employment Agreement has been extended to a termination date of August 16, 2024.

Director Compensation

Jeffrey Guzy did not receive any cash compensation for his role as a director for the year ended December 31, 2022. See Item 12 for further details.

William A. Bradley did not receive any cash compensation for his role as a director for the year ended December 31, 2022. See Item 12 for further details.

Employee Benefit Plans

The Company currently has no employee benefit plans.

2018 Equity Incentive Plan

CoJax's Board of Directors and stockholders approved the 2018 Equity Incentive Plan on December 31, 2018 ("2018 Plan"), which replaced the 2017 Equity Incentive Plan ("2017 Plan") that was approved by the Board of Directors and stockholders on January 2, 2018. The Board of Directors terminated the 2017 Plan on December 31, 2018. No options or awards were granted under the 2017 Plan.

No options or other incentive compensation has been granted as of the date of this Annual Report.

The following is a summary of the 2018 Plan:

2018 Plan Purpose. The 2018 Plan will allow us to grant equity awards, including performance awards, to incentivize high levels of performance and productivity by individuals who provide services to us and to further align the interests of our employees with those of CoJax and its stockholders. The use of our common stock as part of our compensation program is intended to foster a pay-for-performance culture that is an essential element of our overall compensation philosophy. Our equity will be used to retain our officers and other employees and promote a focus on sustained enhancement through

improved performance. The 2018 Plan is intended to be “performance-based compensation” under Section 162(m) of the Internal Revenue Code (“Section 162(m)”), to be exempt from the tax deduction limits of Section 162(m) if they meet the other requirements of Section 162(m).

2018 Plan Administration. The Board of Directors, or the Compensation Committee of the Board of Directors when formed by the Board of Directors, has the authority to administer our 2018 Plan. Subject to the terms of the 2018 Plan, the Board of Directors or the authorized board committee, referred to as the “plan administrator,” determines recipients, dates of grant, the numbers and types of stock awards to be granted, and the terms and conditions of the stock awards, including the period of their exercisability and vesting schedule applicable to a stock award. Subject to the limitations set forth below, the plan administrator will also determine the exercise price, strike price, or purchase price of awards granted and the types of consideration to be paid for the award. The plan administrator has the authority to modify outstanding awards under our 2018 Plan. Subject to the terms of our 2018 Plan, the plan administrator has the authority, without stockholder approval, to reduce the exercise, purchase or strike price of any outstanding stock award, cancel any outstanding stock award in exchange for new stock awards, cash, or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles; provided, that, stockholders must approve any repricing of SAR’s.

2018 Plan Share Reserve. Three million shares of common stock are reserved for issuance under grants or awards made pursuant to the 2018 Plan. If a stock award granted under our 2018 Plan expires or otherwise terminates without being exercised in full, or is settled in cash, the shares of our common stock not acquired pursuant to the stock award again will become available for subsequent issuance under our 2018 Plan. The following types of shares under our 2018 Plan may become available for the grant of new stock awards under our 2018 Plan: (1) shares that are forfeited to or repurchased by us before becoming fully vested; (2) shares withheld to satisfy income or employment withholding taxes; or (3) shares used to pay the exercise or purchase price of a stock award. Shares issued under our 2018 Plan may be previously unissued shares or reacquired shares bought by us on the open market.

2018 Plan Stock Awards. Our 2018 Plan provides for the grant of incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, (“Code”)), non-statutory stock options, stock appreciation rights, or SARs, restricted stock awards, restricted stock unit awards, performance-based stock awards and other forms of equity compensation, which are collectively referred to as stock awards. Our 2018 Plan also provides for the grant of performance cash awards. Incentive stock options may be granted only to employees. All other awards may be granted to employees, including officers, and to non-employee directors and consultants. Incentive and non-statutory stock options are evidenced by stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for a stock option, within the terms and conditions of our 2018 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under our 2018 Plan vest at the rate specified by the plan administrator. The plan administrator determines the term of stock options granted under our 2018 Plan, up to a maximum of ten years. Unless the terms of an option holder’s stock option agreement provide otherwise, if an option holder’s service relationship with us, or any of our affiliates, ceases for any reason other than disability, death, or cause, the option holder may generally exercise any vested options for three months following the cessation of service. The option term will automatically be extended in the event that exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft, or money order, (2) a broker-

assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the option holder, (4) a net exercise of the option if it is a nonqualified stock option, and (5) other legal consideration approved by the plan administrator.

Unless the plan administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order.

Tax Limitations on Incentive Stock Options. The aggregate fair market value, determined at the time of grant, of our common stock with respect to incentive stock options that are exercisable for the first time by an option holder during any calendar year under all of our stock plans, may not exceed \$100,000. Options or portions thereof that exceed such limit will be treated as nonqualified stock options. No incentive stock option may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (2) the term of the incentive stock option does not exceed five years from the date of grant.

Restricted Stock Awards. Restricted stock awards are evidenced by restricted stock award agreements adopted by the plan administrator. Restricted stock awards may be granted in consideration for (1) cash, check, bank draft, or money order, (2) services rendered to us or our affiliates, or (3) any other form of legal consideration. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule as determined by the plan administrator. Rights to acquire shares under a restricted stock award may be transferred only upon such terms and conditions as set by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock unit awards that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Restricted Stock Unit Awards. Restricted stock unit awards are evidenced by restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration or no consideration. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator, or in any other form of the consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Rights under a restricted stock units award may be transferred only upon such terms and conditions as set by the plan administrator. Restricted stock unit awards may be subject to vesting as determined by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Stock Appreciation Rights or "SARs." SARs are evidenced by SAR grant agreements adopted by the plan administrator. The plan administrator determines the strike price for a SAR, which generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Upon the exercise of a SAR, we will pay the participant an amount in cash or stock equal to (1) the excess of the per-share fair market value of our common stock on the date of exercise over the strike price, multiplied by (2) the number of shares of common stock with respect to which the SAR is exercised. A SAR granted under our 2018 Plan vests at the rate specified in the SAR agreement as determined by the plan administrator.

The plan administrator determines the term of SARs granted under our 2018 Plan, up to a maximum of ten years. Unless the terms of a participant's SAR agreement provides otherwise, if a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability, or death, the participant may generally exercise any vested SAR for a period of three months following the cessation of service. The SARs' term will be further extended in the event that applicable securities laws prohibit the exercise of the SAR following such a termination of service. In no event may a SAR be exercised beyond the expiration of its term.

Unless the plan administrator provides otherwise, SARs generally are not transferable except by will, the laws of descent and distribution, or pursuant to a domestic relations order. A SAR holder may designate a beneficiary, however, who may exercise the SAR following the holder's death.

Performance Awards. Our 2018 Plan permits the grant of performance-based stock and cash awards. Our compensation committee can structure such awards so that stock or cash will be issued or paid pursuant to such award only after the achievement of certain pre-established performance goals during a designated performance period. The plan administrator determines the performance goals. The performance goals may be based on company-wide performance or performance of one or more business units, divisions, affiliates, or business segments. They may be either absolute or relative to the performance of one or more comparable companies or the performance of one or more relevant indices.

Other Stock Awards. The plan administrator may grant other awards based in whole or in part by reference to our common stock. The plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event that there is a specified type of change in our capital structure, such as a stock split or recapitalization, appropriate adjustments will be made to (1) the class and a maximum number of shares reserved for issuance under our 2018 Plan, (2) the class and a maximum number of shares by which the share reserve may increase each year automatically, (3) the class and a maximum number of shares that may be issued upon the exercise of incentive stock options and (4) the class and number of shares and exercise price, strike price or purchase price, if applicable, of all outstanding stock awards.

Change in Control. The plan administrator may provide, in an individual award agreement or any other written agreement between a participant and us, that the stock award will be subject to additional acceleration of vesting and exercisability or settlement in the event of a change in control. Under our 2018 Plan, a change in control is generally (1) the acquisition by a person or entity of more than 50% of our combined voting power other than by merger, consolidation, or similar transaction, (2) a consummated merger, consolidation, or similar transaction immediately after which our stockholders cease to own more than 50% of the combined voting power of the surviving entity or (3) a consummated sale, lease or exclusive license or other disposition of all or substantially all of our consolidated assets.

Amendment and Termination. Board of Directors has the authority to amend, suspend or terminate our 2018 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent and provided further that certain types of amendments will require the approval of stockholders. No incentive stock options may be granted after the tenth anniversary of the date that the Board of Directors adopts the 2018 Plan.

Outstanding Equity Awards

There are no outstanding equity awards as of December 31, 2022.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table lists, as of November 16, 2023 the number of shares of common stock beneficially owned by (i) each person, entity or group (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934) known to the Company to be the beneficial owner of more than 5% of the outstanding common stock; (ii) each of our directors (iii) each of our Named Executive Officers and (iv) all executive officers and directors as a group. Information relating to beneficial ownership of common stock by our principal stockholders and management is based upon information furnished by each person using “beneficial ownership” concepts under the rules of the SEC. Under these rules, a person is deemed to be a beneficial owner of a security if that person directly or indirectly has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to dispose or direct the disposition of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within 60 days. Under the SEC rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary interest. Except as noted below, each person has sole voting and investment power with respect to the shares beneficially owned and each stockholder’s address is c/o CoJax Oil and Gas Corporation, 3033 Wilson Boulevard, Suite E-605, Arlington, Virginia 22201. The percentages below are calculated based on 9,315,902 shares of common stock issued and outstanding as of November xx, 2023.

Name of Beneficial Owner	Shares	Percentage
Executive Officers and Directors:		
Jeffrey J. Guzy (1)	646,241	4.25%
Wm. Barrett Wellman (2)	480,000	2.47%
William Allan Bradley	10,000	0.11%
Total (3 persons)	1,136,241	6.83%
	2,920,000	
Roger Allums McLeod		31.34%
Rosswood Capital LLC(3)	1,350,000	14.49%
Stone Creek Properties, LLC (4)	889,559	9.55%
Stonefield Fund LLC (5)	755,000	8.10%
Quantoleum Holdings LLC (6)	552,274	5.93%
Khaki Investments LLC (7)	575,000	6.17%

1) Includes 575,000 shares of common stock issuable upon conversion of 57,500 shares of Series A Convertible Preferred Stock that can be converted at any time. Each share of the Series A Convertible Preferred Stock is convertible at the option of the holder thereof to ten (10) shares of common stock.

(2) Includes 47,500 shares of common stock issuable upon conversion of 22,500 shares of Series A Convertible Preferred Stock. Each share of the Series A Convertible Preferred Stock is convertible at the option of the holder thereof to ten (10) shares of common stock.

(3) Peter Biglane is the Manager of Rosswood Capital LLC and has sole voting and dispositive power over the shares held by Rosswood Capital LLC.

(4) David Sullivan is the Manager of Stone Creek Properties LLC and has sole voting and dispositive power over the shares held by Stone Creek Properties LLC.

(5) Alfonso Rivera Revilla is the Manager of Stonefield Fund LLC and has sole voting and dispositive power over the shares held by Stonefield Fund LLC.

(6) Andrew Cardwell is the Manager of Quantoleum Holdings LLC and has sole voting and dispositive power over the shares held by Quantoleum Holdings LLC.

(7) Sophie Biglane is the Manager of Khaki Investments LLC and has sole voting and dispositive power over the shares held by Khaki Investments LLC.

Changes in Control Agreements.

As of December 31, 2022, we are not aware of any arrangements that may result in “changes in control”, as that term is defined by the provisions of Item 403(c) of Regulation S-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

In addition to the executive officer compensation arrangements discussed in “Executive Compensation,” below we describe transactions since incorporation, in which we have been a participant, in which the amount involved in the transaction is material to our Company, and in which any of the following is a party:

- (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, our Company;
- (b) associates;
- (c) individuals owning, directly or indirectly, an interest in the voting power of our Company that gives them significant influence over our Company, and close members of any such individual’s family;
- (d) key management personnel, that is, those persons having authority and responsibility for planning, directing, and controlling the activities of our Company, including directors and senior management of companies and close members of such individuals’ families; and
- (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence.

Review, Approval, and Ratification of Related Party Transactions

Given our small size and limited financial resources, we have not adopted formal policies and procedures for the review, approval, or ratification of transactions, such as those described above, with our executive officer(s), Director(s), and significant stockholders. We intend to establish formal policies and procedures in the future, once we have sufficient resources and have appointed additional Directors, so that such transactions will be subject to the review, approval, or ratification of our Board of Directors, or an appropriate committee thereof. On a moving forward basis, our Directors will continue to approve any related party transaction.

Legal Proceedings

We know of no material, active, pending, or threatened to proceed against us or our subsidiaries, nor are we, or any subsidiary, involved as a plaintiff or defendant in any material proceeding or pending litigation.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Audit and Accounting Fees

The Board of the Company has appointed Sadler, Gibb & Associates, LLC (“S|G”) as our independent registered public accounting firm for the fiscal year ended December 31, 2022. Haynie & Company CPAs PC (“Haynie”) was our independent registered public accounting firm for the fiscal year ended December 31, 2021. The following table sets forth the fees billed to the Company for professional services rendered by S|G and Haynie for each of the years ended December 31, 2022, and 2021, respectively:

<u>Services</u>	<u>2022</u>	<u>2021</u>
Audit fees	\$ 41,000	\$ 21,000
Audit related fees	-	-
Tax fees	-	-
All other fees	-	-
Total fees	\$ 41,000	\$ 21,000

Audit Fees

The aggregate audit fees billed and unbilled for the fiscal years ended December 31, 2022, and 2021 were for professional services rendered by Haynie for the audits of our annual consolidated financial statements, the audit of our consolidated financial statements included in our registration statement on Form S-1 and the Form 10-K.

Tax Fees

The Company did not incur any aggregate tax fees billed and unbilled for the fiscal years ended December 31, 2022, and 2021.

Other Fees

The Company did not incur any other fees related to services rendered by our principal accountant for the fiscal years ended December 31, 2022, and 2021.

Effective May 6, 2003, the Securities and Exchange Commission adopted rules that require that before our auditor is engaged by us to render any auditing or permitted non-audit related service, the engagement be:

- approved by our audit committee; or
- entered into pursuant to pre-approval policies and procedures established by the audit committee, provided that the policies and procedures are detailed as to the particular service, the audit committee is informed of each service, and such policies and procedures do not include delegation of the audit committee’s responsibilities to management.

We do not have an audit committee. Our entire board of directors pre-approves all services provided by our independent auditors.

All of the above services and fees were reviewed and approved by the entire board of directors before the respective services were rendered.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following exhibits are included with this Annual Report:

Exhibit No.	Description
3.1	Articles of Incorporation of CoJax Oil and Gas Corporation (incorporated by reference to Exhibit 3.1 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
3.2	Amended and Restated Articles of Incorporation of CoJax Oil and Gas Corporation (incorporated by reference to Exhibit 3.1.1 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
3.3	Amendment to Amended and Restated Articles of Incorporation of CoJax Oil and Gas Corporation with the Designation of Series A Convertible Preferred Stock, \$0.01 par value per share, dated January 23, 2020 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the Commission on January 31, 2020)
3.4	Amendment to Amended and Restated Articles of Incorporation of CoJax Oil and Gas Corporation dated June 12, 2020 (incorporated by reference to Exhibit 3.1.2 to the Form S-1 Registration Statement filed with the Commission on September 25, 2020)
3.5	By-Laws (incorporated by reference to Exhibit 3.2 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
4.2	Description of Securities (incorporated by reference to Exhibit 4.1 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
10.1	Employment Agreement between CoJax Oil and Gas Corporation and Jeffrey J. Guzy (incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on January 22, 2020)
10.2	Employment Agreement by CoJax Oil and Gas Corporation and Jeffrey Delancey dated May 15, 2018 (incorporated by reference to Exhibit 10.3 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
10.3	Acquisition Agreement, dated June 16, 2020, by and among CoJax Oil and Gas Corporation, Barrister Energy, LLC., and all of the Members of Barrister Energy, LLC (incorporated by reference to Exhibit 2.1 to the Form 8-K filed with the Commission on June 22, 2020)
10.4	2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
10.5	Investment Banking/Corp Advisory Agreement by Newbridge Securities Corporation and CoJax Oil and Gas Corporation, dated March 14, 2019 (incorporated by reference to Exhibit 10.7 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
10.6	Employment Agreement by CoJax Oil and Gas Corp. and Wm. Barrett Wellman, dated March 16, 2020 (incorporated by reference to Exhibit 10.1 to Form 8-K filed with Commission on March 23, 2020)
10.9	Assignment and Assumption of Promissory Note, dated June 16, 2020, by CoJax Oil and Gas Corporation and Barrister Energy, LLC (incorporated by reference to Exhibit 2.4 to the Form 8-K filed with the Commission on June 22, 2020)

10.10	Debt Exchange Agreement, dated November 16, 2021, by and between the Company and Central Operating, LLC (incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on November 19, 2021)
10.11	Restricted Stock Grant Agreement dated January 4, 2021, by CoJax Oil and Gas Corporation and Jeffrey Guzy (incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on January 7, 2021)
10.12	Restricted Stock Grant Agreement dated January 4, 2021, by CoJax Oil and Gas Corporation and Wm. Barrett Wellman (incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Commission on January 7, 2021)
10.13	Restricted Stock Grant Agreement dated January 4, 2022, by CoJax Oil and Gas Corporation and Jeffrey Guzy (incorporated by reference to Exhibit 10.1 to the Form 8-K filed with the Commission on January 4, 2022)
10.14	Restricted Stock Grant Agreement dated January 4, 2022, by CoJax Oil and Gas Corporation and Wm. Barrett Wellman (incorporated by reference to Exhibit 10.2 to the Form 8-K filed with the Commission on January 4, 2022)
10.15*	NONOP purchase and sale agreement dated November 8, 2022
10.16*	BUCKLEY purchase and sale agreement dated October 15, 2022
14	Code of Ethics (incorporated by reference to Exhibit 14 to the Form S-1 Registration Statement filed with the Commission on July 26, 2019)
21.1	Subsidiaries of CoJax Oil and Gas Corporation (incorporated by reference to Exhibit 21.1 to the Amendment No. 4 to Form S-1 Registration Statement filed with the Commission on September 14, 2021)
23.1	Consent of Netherland, Sewell & Associates, Inc.
31.1*	Certification of Jeffrey J. Guzy, Chief Executive Officer and President of CoJax Oil and Gas Corporation, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Wm. Barrett Wellman, Chief Financial Officer of CoJax Oil and Gas Corporation, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Jeffrey J. Guzy, Chief Executive Officer and President of CoJax Oil and Gas Corporation, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Wm. Barrett Wellman, Chief Financial Officer of CoJax Oil and Gas Corporation, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.2	Barrister Energy, LLC Oil Leases (incorporated by reference to Exhibit 99.2 to the Company's Annual Report on Form 10-K, filed with the Commission on May 14, 2021)
99.3*	Reserve Report, Netherland, Sewell & Associates, Inc, Texas Registered Engineering Firm F-2699

* Filed Herewith

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COJAX OIL AND GAS CORPORATION

By: /s/ Jeffrey J. Guzy

Jeffrey J. Guzy

Chief Executive Officer and President

(Principal Executive Officer)

Date: November 17, 2023

By: /s/ Wm. Barrett Wellman

Wm. Barrett Wellman

Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: November 17, 2023

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Jeffrey J. Guzy

Jeffrey J. Guzy

Chief Executive Officer and President

(Principal Executive Officer)

Date: November 17, 2023

By: /s/ Wm. Barrett Wellman

Wm. Barrett Wellman

Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: November 17, 2023

**CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeffrey J. Guzy, certify that:

1. I have reviewed this Annual Report on Form 10-K of CoJax Oil and Gas Corporation, a Virginia corporation, for the year ended December 31, 2022;
2. Based on my knowledge, this report 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 were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the most recent quarter (the registrant's fourth quarter) covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2023

By: s/ Jeffrey J. Guzy

Jeffrey J. Guzy
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO SECTION 302(a)
OF THE SARBANES-OXLEY ACT OF 2002**

I, Wm. Barrett Wellman, certify that:

1. I have reviewed this Annual Report on Form 10-K of CoJax Oil and Gas Corporation, a Virginia corporation, for the year ended December 31, 2022;

2. Based on my knowledge, this report 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 were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have;

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the most recent quarter (the registrant's fourth quarter) covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 17, 2023

By: /s/ Wm. Barrett Wellman

Wm. Barrett Wellman
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of CoJax Oil and Gas Corporation, a Virginia corporation (the “Company”), for the year ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey J. Guzy, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 17, 2023

By /s/ Jeffrey J. Guzy

Name: Jeffrey J. Guzy

Title: Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report on Form 10-K of CoJax Oil and Gas Corporation, a Virginia corporation (the "Company"), for the year ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wm. Barrett Wellman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that;

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 17, 2023

By /s/ Wm. Barrett Wellman

Name: Wm. Barrett Wellman

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

EXHIBIT 10.15

Indexing instructions:

See attached indexing sheet

Prepared by: Taxodium Energy, LLC

P.O. Box 2205

Laurel, MS 39442

(601) 426-0056

Grantor: Taxodium Energy, LLC

P.O. Box 2205

Laurel, MS 39442

(601) 426-0056

Grantee: Barrister Energy, LLC

3033 Wilson Blvd Ste E 605

Arlington, MS 22201

(703) 479-8538

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

STATE OF MISSISSIPPI §
COUNTIES OF JONES, CLARKE, §
JASPER, WAYNE, COVINGTON, §
MARION, WALTHALL, STONE,
HINDS, MONROE

KNOW ALL MEN BY THESE PRESENTS:

That, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Taxodium Energy, LLC whose address is P.O. Box 2205, Laurel, Mississippi 39442, (herein called "Assignor"), does hereby grant, bargain, sell, transfer, assign, convey and deliver unto Barrister Energy, LLC, a Mississippi Limited Liability Company, whose address is 3033 Wilson Blvd Ste E 605, Arlington, MS 22201, (herein called "Assignee"), subject to all of the provisions hereof, all of the following (herein called collectively the "Interests"):

(a) All of Assignor's right, title and interest in and to the entire estates created, producing and non-producing by the wells and leases described in Exhibit "A" (herein collectively called the "Properties"), and all of Assignor's interest in the land covered thereby (the "Land"), together with all property and rights incident thereto, including all such rights in, to and under all agreements, product purchase and sale contracts, leases, permits, rights-of-way, easements, licenses, servitudes, surface leases and other surface rights (including, but not limited to, any well equipment, tanks, boilers, buildings,

fixtures, injection facilities, saltwater disposal facilities, compression facilities, gathering systems, gas treating facilities, gas processing plants, and facilities, machinery, office furniture, power lines, telephone, telegraph lines, roads, and other appurtenances, easements and facilities), now located on or being used or held solely for use in connection, with the exploration, development, operation or maintenance of the interests, farmouts, options and orders directly relating thereto;

(b) All of Assignor's right, title and interest in and to the wells, wellbores, fixtures, equipment, field gathering pipelines and other personal property on the Land, appurtenant thereto or directly used or obtained in connection with the Land or with the production, treatment, sale or disposal of hydrocarbons or waste produced therefrom or attributable thereto;

(c) All of Assignor's right, title and interest in and to all presently existing and valid operating agreements, unitization, pooling, communization agreements, declarations and orders and the properties covered, and the units created thereby, including any and all units formed under orders, regulations, rules and other official acts of any governmental authority having requisite jurisdiction, together with any right, title and interest of Assignor created thereby in the Land.

(d) All of Assignor's right, title and interest in and to all oil, gas, distillate, condensate, casinghead gas or other liquid or vaporous hydrocarbons, or other minerals ("Hydrocarbons"), produced from or attributable to the Properties or Wells after the Effective Date, (Provided that all Hydrocarbons produced prior to the Effective Date and in storage as of the Effective Date shall belong to Assignor;)

(e) All of Assignor's right, title and interest in and to all lease files, land files, well files, gas and oil sales contract files, gas processing files, division order files, abstracts, title opinions, land surveys, all

proprietary seismic data (including without limitation, original field tapes and processed copies, films, tapes and prints), and all other books, records, certificates of title, accounts, intangibles, files, maps and accounting records in Assignor's possession or control and all rights thereto of Assignor related to any of the Interests;

(f) All of Assignor's right, title and interest in and to the Properties; including all oil and gas leases, interests, royalties, overriding royalties, subleases, fee estates, net profits interest, and carried interests. It being the intent of Assignor to assign and deliver and Assignee to receive all of Assignor's right, title and interest in and to the aforementioned Interests, even though the same may have been omitted from Exhibit "A". **FEE MINERALS ARE EXPRESSLY RESERVED FROM THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE.**

ASSIGNEE, BY THE ACCEPTANCE HEREOF, UNDERSTANDS AND AGREES TO THE FOLLOWING PROVISIONS:

1. ASSIGNOR SPECIALLY WARRANTS AND AGREES TO DEFEND TITLE TO THE WORKING INTERESTS AND NET REVENUE INTERESTS ASSOCIATED WITH THE LEASES AND WELLS AS SET FORTH ON EXHIBIT "A", AGAINST ANY LAWFUL CLAIMS AND DEMANDS OF ALL PERSONS CLAIMING, OR TO CLAIM THE SAME, BY, THROUGH AND UNDER ASSIGNOR, BUT NOT OTHERWISE, SUBJECT TO INSTRUMENTS OF RECORD AND THOSE REFERENCED OR CONTAINED IN ASSIGNOR'S FILES. ASSIGNOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE QUANTITY, QUALITY, CONDITION, SIZE, WEIGHT OR SERVICEABILITY OF THE WELLS, WELLBORES, FIXTURES, EQUIPMENT OR OTHER PERSONAL PROPERTY INCLUDED AMONG THE INTERESTS, WHICH SHALL BE CONVEYED TO ASSIGNEE AS IS, WHERE IS, AND WITH ALL FAULTS AND DEFECTS AND IN THEIR PRESENT CONDITION AND STATE OF REPAIR. ASSIGNOR SPECIFICALLY DISCLAIMS, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY REPRESENTATIONS OR WARRANTIES, EITHER EXPRESS OR IMPLIED, THAT THE INTERESTS, OR ANY PORTION THEREOF, ARE IN COMPLIANCE WITH ANY FEDERAL OR STATE ENVIRONMENTAL RULES OR REGULATIONS.

2. ASSIGNEE SHALL FULLY PROTECT, DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS ASSIGNOR, ITS EMPLOYEES AND AGENTS, SUCCESSORS AND ASSIGNS, FROM AND AGAINST EACH AND EVERY CLAIM (AS DEFINED BELOW IN PARAGRAPH 6):

(a) ARISING FROM OR RELATING TO, WHOLLY OR IN PART, THE OPERATION OR OWNERSHIP ON OR AFTER THE EFFECTIVE TIME OF THE INTERESTS ACQUIRED HEREUNDER BY ASSIGNEE, OR

(b) BASED UPON AN ADVERSE ENVIRONMENTAL CONDITION IN EXISTENCE AT THE TIME OF CLOSING AND RELATING TO THE INTERESTS CONVEYED AT CLOSING, OF WHICH ASSIGNEE HAD KNOWLEDGE PRIOR TO CLOSING AND WHICH ASSIGNOR HAS NOT EXPRESSLY AGREED IN WRITING TO REMEDY, OR

(c) RELATING TO THE INTERESTS WHICH IS EXCLUDED FROM ASSIGNOR'S INDEMNITY OBLIGATION.

3. ASSIGNOR SHALL FULLY PROTECT, DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS ASSIGNEE, ITS EMPLOYEES AND AGENTS, SUCCESSORS AND ASSIGNS,

FROM AND AGAINST EACH AND EVERY CLAIM ARISING FROM OR RELATING TO THE OPERATION OR OWNERSHIP OF THE INTERESTS PRIOR TO THE EFFECTIVE TIME; PROVIDED, HOWEVER, ASSIGNOR'S INDEMNITY OBLIGATION SHALL NOT APPLY TO:

(a) ANY CLAIM RELATING TO THE INTERESTS WHICH ASSIGNOR HAS NOT EXPRESSLY AGREED IN WRITING TO REMEDY AND WHICH ASSIGNEE HAS ACTUAL KNOWLEDGE OR NOTICE OF ON OR PRIOR TO THE DATE OF CLOSING, REGARDLESS OF WHETHER SUCH CLAIM IS BASED, IN WHOLE OR IN PART, ON THE NEGLIGENCE OF ASSIGNOR, OR

(b) ANY CLAIM RELATING TO THE INTERESTS OF THE TYPE WHICH MAY BE ENCOUNTERED IN THE CONDUCT OF OPERATIONS CONSISTENT WITH NORMAL OIL FIELD PRACTICES (I.E. CLAIMS RELATING TO SURFACE RECLAMATION, WELL PLUGGING, CASING REPAIR, ASBESTOS, NATURALLY OCCURRING RADIOACTIVE MATERIALS OR ORDINARY WEAR AND TEAR), REGARDLESS OF WHETHER ANY SUCH CLAIM IS BASED, IN WHOLE OR IN PART, ON THE NEGLIGENCE OF ASSIGNOR, OR

[2]

ADDITIONALLY, ASSIGNOR'S INDEMNITY OBLIGATION TO ASSIGNEE HEREUNDER SHALL BE LIMITED TO THE EXTENT OF ASSIGNOR'S INTEREST IN THE INTERESTS IN QUESTION AT THE TIME THE FACTS FORMING THE BASIS OF THE CLAIM AROSE.

4. THE PARTY CLAIMING A RIGHT TO INDEMNITY HEREUNDER SHALL, AS SOON AS IT IS REASONABLY PRACTICABLE, (i) NOTIFY THE INDEMNIFYING PARTY IN WRITING OF ANY CLAIM AS TO WHICH INDEMNITY IS SOUGHT, GIVING FULL PARTICULARS IN REASONABLE DETAIL, (ii) COOPERATE WITH THE INDEMNIFYING PARTY IN THE DEFENSE OF SUCH CLAIM, AND (iii) NOT MAKE OR AGREE TO ANY SETTLEMENT OF SUCH CLAIM WITHOUT THE INDEMNIFYING PARTY'S CONSENT, WHICH CONSENT SHALL NOT BE UNREASONABLY WITHHELD.

5. ALL FUNDS HELD BY ASSIGNOR IN SUSPENSE ATTRIBUTABLE TO THE INTERESTS PRIOR TO THE CLOSING DATE SHALL BE DELIVERED TO ASSIGNEE PROMPTLY FOLLOWING CLOSING TOGETHER WITH A SCHEDULE AS TO THE PROPER ACCOUNTING THEREFOR AND ASSIGNEE THEREAFTER SHALL HAVE THE SOLE RESPONSIBILITY WITH REGARD TO THE PAYMENT THEREOF IN ACCORDANCE WITH SUCH ACCOUNTING AND SHALL INDEMNIFY AND HOLD ASSIGNOR HARMLESS FROM AND AGAINST ANY AND ALL COSTS, LOSSES, LIABILITIES, DAMAGES, EXPENSES, CLAIMS, SUITS AND DEMANDS WHATSOEVER, INCLUDING COURT COSTS AND ATTORNEYS' FEES, RELATED THERETO.

6. THE TERM "CLAIM", AS USED HEREIN, SHALL MEAN ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, LAWSUIT, PROCEEDING, JUDGMENT, OBLIGATION, LIABILITY, COST, EXPENSE, DAMAGE, OR LOSS, INCLUDING COURT COSTS AND ATTORNEY'S FEES.

TO HAVE AND TO HOLD the Interests unto Assignee, its successors and assigns, forever.

All subsequent conveyances or assignments of the Interests, in whole or in part, shall incorporate the covenants and limitations identical in substance to the foregoing for Assignor's continuing benefit, and shall similarly bind Assignee's successors and assigns.

Assignor and Assignee agree to execute such other instruments as are reasonably necessary to effectuate the conveyance contemplated by this Assignment, including but not limited to amendments to Exhibit "A" further describing the wells and oil and gas leases subject to this Agreement and covering the Oil and Gas Properties.

This Assignment and Bill of Sale shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and the covenants hereof shall run with the land.

IN WITNESS WHEREOF, this Assignment, Bill of Sale and Conveyance as of the acknowledgement below, but is effective as of 1st day of October 2022, at 7:00 a.m. (hereinabove referred to as the "Effective Date").

ASSIGNOR:

Taxodium Energy, LLC
November 8, 2022

ASSIGNEE:

Barrister Energy, LLC
November 8, 2022

/s/Andrew Cardwell
By: Andrew Cardwell, Manager

/s/Jeffrey Guzy
By: Jeffrey Guzy, Manager



[3]

EXHIBIT 10.16

ASSIGNMENT, CONVEYANCE AND BILL OF SALE

STATE OF MISSISSIPPI)
)
COUNTY OF MARION)

This Assignment, Conveyance and Bill of Sale (“Assignment”), made effective for all purposes as of 7:00 a.m. CST on October 15, 2022 (the “Effective Date”), is from Taxodium Energy, LLC, hereinafter referred to as “ASSIGNOR”, and **Barrister Energy, LLC**, hereinafter referred to as “ASSIGNEE”, having the address of P.O. Box 2205, Laurel, MS 39442.

1. For the sum of Ten Dollars (\$10.00), and other good and valuable considerations in hand paid by Assignees, including, in particular, the assumptions, undertakings, indemnities, and obligations made by Assignee herein, the receipt and sufficiency of which are hereby acknowledged, Assignors do hereby **SELL, CONVEY, QUITCLAIM, ASSIGN, TRANSFER, SET OVER AND DELIVER** to the Assignee, all of Assignor's right, title and interest in and to the following (the “Subject Properties”) :

- a) The Wells and Facilities and/or other rights described in Exhibit “A” attached hereto and made a part hereof, and all of Assignor's operating rights, working interest, and net revenue interest arising out of the oil and gas leases, and further including any extensions, ratifications, and amendments to such leases and/or rights or interests.

- b) The Oil, Gas and Mineral Leases described in Exhibit “A” attached hereto and made a part hereof, including all surface and subsurface rights existing by same, and all of Assignor's operating rights, working interest, and net revenue interest arising out of the Oil, Gas and Mineral Leases, and further including any extensions, ratifications, and amendments to such Oil, Gas and Mineral Leases and/or rights or interests.

- c) The Surface Tract of land described in Exhibit “A” attached hereto and made a part hereof, including all facilities and other equipment, fixtures and personal property of every nature associated with said Surface Tract.

- d) All pumps, tanks, tubing, heater-treaters, flow lines and other equipment, fixtures and personal property of every nature associated with the Subject Property, production facilities conveyed hereunder. The equipment and other personal property assigned hereby includes but is not limited to the items listed on Exhibit “A” attached hereto and made a part hereof.

- e) All rights existing under easements, operating agreements, unit agreements, pooling agreements, regulatory orders, contracts, surface use and disposal

agreements, permits, agreements, rental agreements and contracts pertaining to the properties conveyed hereunder including, but not limited to any unit agreement, joint operating agreement, surface use or disposal lease, whether or not described in Exhibit "A".

- f) Oil and gas produced after the Effective Date and proceeds of sales of oil and gas produced after the Effective Date. It is understood that oil in the tanks as of the Effective Date and proceeds of sales proceeds of oil and gas produced before the Effective Date belong to Assignors and are hereby reserved by Assignor.
- g) Data and records maintained by CEGX relating to the Subject Properties such as title files, copies of leases, copies of title opinions, division orders, payment records, pay decks, technical files, and other data (to the extent same is transferable).

2. This assignment is of all of Assignor's right, title, and interest, from and after the Effective Date, in and to the Subject Properties, subject to the terms and provisions herein contained. It is hereby understood and agreed that one or more of the Assignors does not own

EXHIBIT 10.16

an interest in all of the Subject Properties set forth on Exhibit "A". Each of the Assignors herein execute this assignment with the intent of conveying its interest in any described Subject Property which such Assignor owns a record title interest.

3. The Subject Properties are being conveyed to Assignee in an "AS IS AND WHERE IS" condition, and Assignee acknowledges that the Wells and Facilities being conveyed have or may have been used in connection with oil, gas, and water production, transportation, treatment, storage, and/or disposal activities and may contain Naturally Occurring Radioactive Materials (NORM), asbestos and other hazardous substances as a result of these activities and operations, and that physical and environmental changes in the land may have occurred as a result of such uses.

4. Assignee acknowledges that it has been afforded the right to conduct an investigation of the physical and environmental condition of and all files and records of the Subject Properties. Assignee accepts the condition of the Subject Properties, and the responsibility for verifying the accuracy of the items listed on Exhibit "A". Assignee represents and warrants (i) that it is experienced and knowledgeable investors in the oil and gas industry, (ii) that it has made such investigation of the interests assigned hereunder and has been furnished such information in connection therewith as it deems appropriate under the circumstances, and (iii) that the interest assigned to Assignee hereby is being acquired for its own account for investment and not with a "view for distribution" as such terms are used in the Federal Securities Act of 1933.

5. Assignee agrees to assume, and hereby assumes full responsibility for compliance with all obligations and laws, orders, rules and regulations concerning the Subject Properties.

6. As part of the consideration for the sale and transfer of the Subject Properties, Assignee hereby assumes and shall timely and fully satisfy all Abandonment Obligations (as defined below) associated with the Subject Properties. As used herein, the term "Abandonment Obligations" shall mean and include all obligations associated with, and liability for the Subject Properties: (a) the plugging and abandonment of all Wells and Facilities listed on Exhibit "A"; (b) the removal of structures, facilities, foundations, wellheads, tanks, pipelines, flowlines, pumps, compressors, separators, heater-treaters, valves, fittings, and equipment and machinery of any nature and all materials contained therein, located on the tank battery facility site(s) or used in connection with the Subject Properties as may be requested by the surface owner of the real property on which the same is situated; and (c) the restoration and reclamation of the surface estate in such a manner as may be required by the State Oil and Gas Board of Mississippi.

7. Assignee indemnifies and agrees to hold each Assignor, its employees, and agents, harmless from any and all liens, judgments, and claims of any kind or character arising out of, in connection with, or resulting from Assignee's ownership and/or operation of the Subject Properties, including, but not limited to, claims for damages to land (including, but not limited to subsurface and environmental claims), stock, crops, fences, buildings, structures and claims for personal injuries to, and death of persons. Assignee further covenants and agrees to defend any suits brought against any Assignor on account of any such claims and to pay

any damages, demands, assessments, judgments, costs and expenses incident to the foregoing indemnity; provided, Assignors shall, nevertheless, have the right, if it so elects, to participate in the defense of any such suit or suits in which it may be a party without relieving Assignee of the obligation to defend the same.

8. Assignee agrees to perform all express or implied covenants and obligations of Assignors relating to the Subject Properties, and assumes, and shall indemnify and save and hold harmless Assignors against, all liability for plugging of wells and facilities located on the Subject Properties and any remediation as to same required by the governing state commission/agency, Environmental Protection Agency, or other governmental authority having jurisdiction.

9. Assignee shall be responsible for all taxes related to the Subject Properties from and after the Effective Date. Assignors shall be responsible for payment of all taxes related to the Subject Properties prior to the Effective Date. Taxes payable on an annual basis shall be prorated between Assignors and Assignee as of the Effective Date, and Assignee agrees to reimburse Assignor its prorated share of 2022 taxes at delivery of this assignment.

EXHIBIT 10.16

10. Assignor will retain control over any proceeds of production which are being held in suspense as of the Effective Date. After this conveyance, at Assignee's written request, Assignor will advise Assignee of the names and addresses, sum amounts, title information and other pertinent information for parties for whom funds are being held in suspense.

This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

TO HAVE AND TO HOLD the interests in the Subject Properties conveyed hereby, together with all rights, titles, interests, estates, remedies, powers and privileges thereunto pertaining. The provisions hereof shall be binding upon each of the parties hereto, and shall extend to their respective heirs, legal representatives, successors and assigns.

This Assignment is executed on the respective dates shown below, but is made effective for all purposes as of the Effective Date stated above.

Assignee

Barrister Energy, LLC

/s/Jeffrey J. Guzy

By: Jeffrey J. Guzy, Manager

Date: December 2, 2022

Assignor:

Taxodium Energy, LLC

/s/Andrew Cardwell

By: Andrew Cardwell

Date: December 2, 2022

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

We hereby consent to the use of the name Netherland, Sewell & Associates, Inc., the references to our report of CoJax Oil and Gas Corporation's proved oil and natural gas reserves estimates and future net revenue as of December 31, 2022, and the inclusion of our corresponding report letter, dated May 22, 2023, in the 2022 Annual Report on Form 10-K (the "Annual Report") of CoJax Oil and Gas Corporation.

INC.

NETHERLAND, SEWELL & ASSOCIATES,

/s/ Richard B. Talley, Jr.

By:

Richard B. Talley, Jr., P.E.
Chief Executive Officer

Houston, Texas
November 17, 2023

May 22, 2023

EXHIBIT 99.3

Mr. John Young
CoJax Oil and Gas Corporation
531 North Fifth Avenue
Laurel, Mississippi 39440

Dear Mr. Young:

In accordance with your request, we have estimated the proved reserves and future revenue, as of December 31, 2022, to the CoJax Oil and Gas Corporation (CoJax) interest in certain oil and gas properties located in Alabama and Mississippi. We completed our evaluation on or about the date of this letter. It is our understanding that the proved reserves estimated in this report constitute all of the proved reserves owned by CoJax. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and, with the exception of the exclusion of future income taxes, conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas. Definitions are presented immediately following this letter. This report has been prepared for CoJax's use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the net reserves and future net revenue to the CoJax interest in these properties, as of December 31, 2022, to be:

Category	Net Reserves		Future Net Revenue ⁽¹⁾ (M\$)	
	Oil (MBBL)	Gas (MMCF)	Total	Present Worth at 10%
Proved Developed Producing	151.1	36.0	8,190.6	4,051.5
Proved Developed Non-Producing	38.4	0.0	4,469.3	4,562.6
Total Proved Developed	189.4	36.0	12,659.9	8,614.1

Totals may not add because of rounding.

(1) Future net revenue is after deducting estimated abandonment costs.

The oil volumes shown include crude oil only. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. Our study indicates that as of December 31, 2022, there are no proved undeveloped reserves for these properties. No study was made to determine whether probable or possible reserves might be established for these properties. The estimates of reserves and future revenue included herein have not been adjusted for risk. This report does not include any value that could be attributed to interests in undeveloped acreage.

Gross revenue is CoJax's share of the gross (100 percent) revenue from the properties prior to any deductions. Future net revenue is after deductions for CoJax's share of production taxes, ad valorem taxes, capital costs, abandonment costs, and operating expenses but before consideration of any income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the

effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

Prices used in this report are based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for each month in the period January through December 2022. For oil volumes, the average West Texas Intermediate posted price of \$90.15 per barrel is adjusted by well for quality, transportation fees, and market differentials. For gas volumes, the average Henry Hub spot price of \$6.357 per MMBTU is adjusted by well for energy content, transportation fees, and market differentials. The average adjusted product prices weighted by production over the remaining lives of the properties are of \$92.01 per barrel of oil and \$6.957 per MCF of gas.

Operating costs used in this report are based on operating expense records of CoJax. These costs include the per-well overhead expenses allowed under joint operating agreements along with estimates of costs to be incurred at and below the district and field levels. Headquarters general and administrative overhead expenses of CoJax are included to the extent that they are covered under joint operating agreements for the operated properties. Operating costs are not escalated for inflation.

Capital costs used in this report were provided by CoJax and are based on authorizations for expenditure and actual costs from recent activity. Capital costs are included as required for workovers and production equipment. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are our estimates of the costs to abandon the wells and production facilities, net of any salvage value. These costs are based on our knowledge of similar operations. Capital costs and abandonment costs are not escalated for inflation.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability.

We have made no investigation of potential volume and value imbalances resulting from overdelivery or underdelivery to the CoJax interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on CoJax receiving its net revenue interest share of estimated future gross production. Additionally, we have made no specific investigation of any firm transportation contracts that may be in place for these properties; our estimates of future revenue include the effects of such contracts only to the extent that the associated fees are accounted for in the historical field- and lease-level accounting statements.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by CoJax, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report.

For the purposes of this report, we used technical and economic data including, but not limited to test data, production data, historical price and cost information, and property ownership interests. The reserves in this report

have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis and analogy, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from CoJax, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not examined the titles to the properties or independently confirmed the actual degree or type of interest owned. The technical person primarily responsible for preparing the estimates presented herein meets the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. Richard B. Talley, Jr., a Licensed Professional Engineer in the State of Texas, has been practicing consulting petroleum engineering at NSAI since 2004 and has over 5 years of prior industry experience. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

/s/ C.H. (Scott) Rees III

By:
C.H. (Scott) Rees III, P.E.
Executive Chairman

/s/ Richard B. Talley, Jr

By:
Richard B. Talley, Jr., P.E. 102425
Chief Executive Officer

Date Signed: May 22, 2023

LPV:SGZ

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir.* Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

- (i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);
- (ii) Same environment of deposition;
- (iii) Similar geological structure; and
- (iv) Same drive mechanism.

Instruction to paragraph (a)(2): Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen.* Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate.* Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate.* The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves.* Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
- (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Supplemental definitions from the 2018 Petroleum Resources Management System:

Developed Producing Reserves – Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery Reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.
- (ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- (iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.
 - (iv) Provide improved recovery systems.
- (8) *Development project.* A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.
- (9) *Development well.* A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.
- (10) *Economically producible.* The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.
- (11) *Estimated ultimate recovery (EUR).* Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.
- (12) *Exploration costs.* Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:
- (i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.
 - (ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.
 - (iii) Dry hole contributions and bottom hole contributions.
 - (iv) Costs of drilling and equipping exploratory wells.
 - (v) Costs of drilling exploratory-type stratigraphic test wells.
- (13) *Exploratory well.* An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.
- (14) *Extension well.* An extension well is a well drilled to extend the limits of a known reservoir.
- (15) *Field.* An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.
- (16) *Oil and gas producing activities.*
- (i) Oil and gas producing activities include:
 - (A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;
 - (B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;
 - (C) The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
 - (1) Lifting the oil and gas to the surface; and
 - (2) Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- (D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

Instruction 1 to paragraph (a)(16)(i): The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

- a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and
- b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

Instruction 2 to paragraph (a)(16)(i): For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

- (ii) Oil and gas producing activities do not include:

- (A) Transporting, refining, or marketing oil and gas;
- (B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;
- (C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or
- (D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

- (i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.
- (ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.
- (iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.
- (iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.
- (v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.
- (vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

- (i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- (ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.
 - (iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.
 - (iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.
- (19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.
- (20) *Production costs.*
- (i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:
 - (A) Costs of labor to operate the wells and related equipment and facilities.
 - (B) Repairs and maintenance.
 - (C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.
 - (D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.
 - (E) Severance taxes.
 - (ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.
- (21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.
- (22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.
- (i) The area of the reservoir considered as proved includes:
 - (A) The area identified by drilling and limited by fluid contacts, if any, and
 - (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.
 - (ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.
 - (iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.
 - (iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:
 - (A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- (B) The project has been approved for development by all necessary parties and entities, including governmental entities.
- (v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

(25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas:

932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

- a. Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*
- b. Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:

- a. Future cash inflows. These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.*
- b. Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.*
- c. Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.*
- d. Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.*

DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- e. *Discount.* This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.
- f. *Standardized measure of discounted future net cash flows.* This amount is the future net cash flows less the computed discount.

(27) *Reservoir.* A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources.* Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

(29) *Service well.* A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well.* A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves.* Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

- (i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.
- (ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):

Although several types of projects — such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations — by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.

Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:

- *The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*
- *The company's historical record at completing development of comparable long-term projects;*
- *The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*
- *The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*
- *The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

- (iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties.* Properties with no proved reserves.