



August 2, 2023

P4 Caliche & Water

Adam Pollard

Good afternoon! After looking at all the material we have produced out of there in the past 25 years (Price Construction & Black Jack) with the area left that will still produce material here is what I came up with, now remember this is based on average depth of what we have cored & already produced out of.

35 Acres of usable land

35 AC x 40' Deep (average) = 2.2 Million CY's / 3.1 Million Ton's

With this we have been paying \$1.25 TON to \$2.00 TON for all material sold from the pit as a land owner royalty over the last few years, \$2.00 TON is actually the going rate right now if I was to go open a new pit that is close to what I would have to pay in today's market. So if I kept it leased and the market holds up "oilfield & commercial work" for the next 6 to 8 years there is a possibility of it bringing in \$5.7 (used \$1.75 TON Royalty) million in sales over the next 10 years.

This pit is capable of making Tx-Dot spec material for upcoming heavy highway work, and Tx-Dot has committed to fund lots of work over the next 10 years and so I could have a few projects really soon that I could quote out of there.

Let me know if you have any questions on how I got to these numbers or just have anything you need help with, Black Jack has interest in leasing the pit again but right now Tx-Dot has not released anything that fits that area.

Cliff Price

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