

NORTH TEXAS ENERGY, INC.
CONSOLIDATED BALANCE SHEETS
(NOT AUDITED)

	March 31,	December
	2025	31,
	2024	
Assets		
Current assets		
Cash	\$ 13,125	\$ 30,962
Total current assets	13,125	30,962
Oil and gas properties, full cost method		
Costs not being amortized	2,828,278	2,705,691
Accumulated depletion, depreciation and amortization	(25,498)	(25,498)
Total oil and gas properties	2,802,780	2,680,193
Total assets	\$ 2,815,905	\$ 2,711,155
Liabilities and shareholders' equity		
Current liabilities		
Trade Accounts Payable	\$ 373,532	\$ 373,532
Term Note Commercial Bank	160,000	160,000
Installment Note Commercial Bank Current Portion	21,920	21,920
Other Liabilities	52,186	52,186
Total Current liabilities	607,638	607,638
Long Term Debt		
Installment Note Commercial Bank Long Term Portion	75,416	75,416
Asset Retirement Obligation	27,111	27,111
Total Liabilities	710,165	710,165
Shareholders' equity		
Common stock, \$0.00001 par value, 100,000,000 shares authorized 53,325,247 shares and issued, respectively	546	533
Additional paid-in capital	4,728,981	4,621,638
Accumulated deficit	(2,623,787)	(2,621,781)
Total shareholders' equity	2,105,740	2,000,990
Total liabilities and shareholders' equity	\$ 2,815,905	\$ 2,711,155

See notes to the unaudited consolidated financial statements.

NORTH TEXAS ENERGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended March 31,	
	2025	2024
Revenues	\$ -	\$ 9,600
Operating expenses:		
Depletion and Accretion		1,440
Legal and professional fees		
General and administrative expenses	2,006	1,511
Total operating expenses	2,006	2,951
Net Profit (Loss)	\$ (2,006)	\$ 6,649
Basic and diluted loss per common share	\$ -	\$ -
Weighted average number of common shares outstanding - basic and diluted	-	-

See notes to the unaudited consolidated financial statements.

NORTH TEXAS ENERGY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(NOT AUDITED)

	For the Three Months Ended March 31,	
	2025	2024
Cash Flows From Operating Activities:		
Net Profit (Loss)	\$ (2,006)	\$ 6,649
Adjustments to reconcile net Profit (loss) to net cash used operating activities:		
Depletion & Accretion	-	-
Changes in Operating Assets & Liabilities:		
Accounts payable	-	-
Net Cash Provided (Used) in Operating Activities	<u>(2,006)</u>	<u>6,649</u>
Cash Flows From Investing Activities:		
Payments for unproved oil and gas properties	<u>123,174</u>	<u>95,750</u>
Net Cash Used in Investing Activities	<u>123,174</u>	<u>95,750</u>
		.
Cash Flows From Financing Activities:		
Proceeds from sale of common stock	<u>107,343</u>	<u>100,000</u>
Net Cash Provided by Financing Activities	<u>107,343</u>	<u>100,000</u>
Net increase (decrease) in cash	(17,837)	10,899
Cash at beginning of period	<u>30,962</u>	<u>3,887</u>
Cash at end of period	<u>\$ 13,125</u>	<u>\$ 14,786</u>
Supplemental Cash Flows Information:		
Cash paid for interest	\$ 6280-	\$ 5641
Cash paid for income taxes and financing	\$ -	\$ -
Noncash Investing Activities:		
Asset Retirement Costs Capitalized	\$ -	\$ -
	\$ -	\$ -

See notes to the unaudited consolidated financial statements.

NORTH TEXAS ENERGY, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 – Business and Organization

North Texas Energy, Inc. ("the Company") was incorporated in the State of Nevada on January 12, 2011. The company has developed a unique method of drilling oil wells in the "Shallow Oil Producing Arena". In 2019 the company disposed of all of its properties and wells in Milaty County, Texas and has been testing and perfecting its ability to find and recover oil in areas that have not been previously exploited. The company is focusing its new method with its wells and leases in Williamson County, Texas

Basis of Presentation

The accompanying unaudited interim consolidated financial statements of North Texas Energy, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's annual report on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the consolidated financial statements which would substantially duplicate the disclosure contained in the audited consolidated financial statements for the most recent fiscal year ended December 31, 2015 have been omitted.

Cash and Cash Equivalents

Cash equivalents are highly liquid investments with an original maturity of three months or less.

Oil and Gas Properties

The Company uses the full cost method of accounting for exploration and development activities as defined by the SEC. Under this method of accounting, the costs for unsuccessful, as well as successful, exploration and development activities are capitalized as oil and gas properties. Capitalized costs include lease acquisition, geological and geophysical work, delay rentals, costs of drilling, completing and equipping the wells and any internal costs that are directly related to acquisition, exploration and development activities but does not include any costs related to production, general corporate overhead or similar activities. Proceeds from the sale or other disposition of oil and gas properties are generally treated as a reduction in the capitalized costs of oil and gas properties, unless the impact of such a reduction would significantly alter the relationship between capitalized costs and proved reserves of oil and natural gas attributable to a country.

The Company categorizes its full cost pools as costs subject to amortization and costs not being amortized. The sum of net capitalized costs subject to amortization, including estimated future development and abandonment costs, are amortized using the unit-of-production method.

Oil and gas properties include costs that are excluded from capitalized costs being amortized. These amounts represent costs of investments in unproved properties. The Company excludes these costs on a country-by-country basis until proved reserves are found or until it is determined that the costs are impaired. All costs excluded are reviewed annually to determine if impairment has occurred. The amount of any impairment is transferred to the costs subject to amortization. The Company currently only owns unproved properties. As of March 31, 2016, management believes that there is no impairment for the Company's unproved oil and gas properties.

Ceiling Test and Impairment

Under the full cost method of accounting, a ceiling test is performed each quarter for proved properties. The full cost ceiling test is an impairment test prescribed by SEC Regulation S-X. The ceiling test determines a limit, on a country-by-country basis, on the book value of oil and gas properties. The capitalized costs of proved oil and gas properties, net of accumulated depreciation, depletion, amortization and impairment("DD&A") and the related deferred income taxes, may not exceed the estimated future net cash flows from proved oil and gas reserves, calculated using the average oil and natural gas sales price received by the Company as of the first trading day of each month over the preceding twelve months (such prices are held constant throughout the life of the properties) with consideration of price change only to the extent provided by contractual arrangement, discounted at 10%, net of related tax effects. If capitalized costs exceed this limit, the excess is charged to expense and reflected as additional accumulated DD&A. The Company has no proved properties subject to the full cost ceiling test as of March 31, 2016.

Asset Retirement Obligations

Asset retirement obligations ("ARO") represent the future abandonment costs of tangible assets such as platforms, wells, service assets, pipelines, and other facilities. The fair value of a liability for an asset's retirement obligation is recorded in the period in which it is incurred if a reasonable estimate of fair value can be made, and that the corresponding cost is capitalized as part of the carrying amount of the related long-lived asset. The liability is accreted to its then present value each period, and the capitalized cost is depreciated over the useful life of the related asset. If the liability is settled for an amount other than the recorded amount, an adjustment is made to the full cost pool, with no gain or loss recognized, unless the adjustment would significantly alter the relationship between capitalized costs and proved reserves. The ARO assets, which are carried on the balance sheet as part of the full cost pool, will be included in our amortization base for the purposes of calculating depreciation, depletion and amortization expense. For the purposes of calculating the ceiling test, the future cash outflows associated with settling the ARO liability is included in the computation of the discounted present value of estimated future net revenues. The liability is adjusted for any changes in the estimate of the liability and for the disposal of previously held oil and gas leases net of accretion expense.

Revenue Recognition

The Company generally sells crude oil and natural gas under short-term agreements at prevailing market prices. Revenues are recognized when the products are delivered, which occurs when the customer has taken title and has assumed the risks and rewards of ownership, prices are fixed or determinable, and is reasonably assure

Income Taxes

Deferred income taxes are provided on a liability method whereby deferred tax assets and liabilities are established for the difference between the financial reporting and income tax basis of assets and liabilities as well as operating loss and tax credit carry forward. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carry-forwards are expected to be available to reduce taxable income. At March 31, 2025 the Company has recorded a 100% valuation allowance as management has no assurance that deferred tax assets will be realized.

At March 31, 2025, the Company had net operating loss carry forwards of approximately \$2.1 million that will expire between 2031 through 2034.

Net Loss Per Common Share

Basic net loss per share is computed by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted net loss per share is computed by dividing the net loss attributable to common shareholders by the weighted-average number of common and common equivalent shares outstanding during the period. Common share equivalents included in the diluted computation represent shares issuable upon assumed exercise of stock options and warrants using the treasury stock and "if converted" method. For periods in which net losses are incurred, weighted average shares outstanding is the same for basic and diluted loss per share calculations, as the inclusion of common share equivalents would have an anti-dilutive effect. For the three months ended March 31, 2024 and 2025, there are no potentially dilutive shares outstanding.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at year-end and the reported amounts of revenues and expenses during the year and the reported amount of proved natural gas and oil reserves. Management bases its estimates on historical experience and various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments that are not readily apparent from other sources. Actual results could differ from these estimates and changes in these estimates are recorded when known.

Subsequent Events

The Company has evaluated all transactions through the date the consolidated financial statements were issued for subsequent event disclosure consideration. No significant subsequent events of any material kind that require disclosure

Reclassifications

Certain accounts and financial statement captions in the prior periods have been reclassified to conform to the current period financial statements.

Recently Issued Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-15, Presentation of Financial Statements – Going Concern. The update provides U.S. GAAP guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. The amendments in this Update is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently evaluating the effects of ASU 2014-15 on the consolidated financial statements.

The Company does not believe that any other recently issued effective pronouncements, or pronouncements issued but not yet effective, if adopted, would have a material effect on the accompanying financial statements.

Note 3 – Going Concern

As shown in the accompanying financial statements, the Company has incurred losses from operations, has not generated significant revenue and has not secured continuous funding for the operation of its oil and gas producing activities. These factors raise substantial doubt about the Company's ability to continue as a going concern. 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. In addition to the offering of securities for sale to the public, the Company currently is diligently searching for other short-term and long-term sources of liquidity for its producing operations.

Note 4 – Accrued Lease Obligations

None Exist

Note 5 – Equity

During the quarter ended March 31, 2025, the Company issued 400,000 common shares for \$100,000. During the year ended December 31, 2024, the Company had issued 53,325,274 common shares for \$ 4,621,738.

Note 6 – Subsequent Events

None that require disclosure