Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Foothills Exploration, Inc.

2660 Townsgate Road, Ste. 800
Westlake Village, CA 91361

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SIC Code: 1311

Quarterly Report
For the Period Ending: June 30, 2021
(the "Reporting Period")

As of Current Reporting Period, the number of shares outstanding of our Common Stock was:

4,991,037,334

As of Prior Reporting Period ending March 31, 2021, the number of shares outstanding of our Common Stock was:

2,136,277,111

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

1,414,219,113

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

[1] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

Yes: ☐ No: ☒

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Foothills Exploration, Inc. (the "Company"): August 4, 2016 - Present
Key Link Assets Corp.: May 13, 2010 – August 4, 2016

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Delaware; Active

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

2660 Townsgate Road, Suite 800, Westlake Village, CA 91361

The address(es) of the issuer's principal place of business:
Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

None

2) Security Information

Trading symbol:	FTXP
Exact title and class of securities outstanding:	4,991,037,334 shares of common stock outstanding at 6/30/2021 10,000,000 shares of Series A Preferred stock outstanding at 6/30/2021

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

CUSIP: 34512J108
Par or stated value: $0.0001

Total shares authorized: 19,975,000,000 as of date: 6/30/2021
Total shares outstanding: 4,991,037,334 as of date: 6/30/2021
Number of shares in the Public Float[2]: 4,862,406,450 as of date: 6/30/2021
Total number of shareholders of record: 74 as of date: 6/30/2021

Transfer Agent

Name: VStock Transfer, LLC
Phone: (212) 828-8436
Email: 0-K@vstocktransfer.com
Address: 18 Lafayette Place, Woodmere, NY 11598

Is the Transfer Agent registered under the Exchange Act?[3] Yes: ☒ No: ☐

3) Issuance History

This section provides disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period. Disclosure under this item includes, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/2019 Common: 100,693,521 Preferred: 0			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	**Transaction type (e.g. new issuance, cancellation, shares returned to treasury)**	**Number of Shares Issued (or cancelled)**	**Class of Securities**	**Value of shares issued ($/per share) at Issuance**	**Were the shares issued at a discount to market price at the time of issuance?**	**Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).**	**Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**

[2] "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

[3] To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

					(Yes/No)				
03/02/2020	New Issuance	3,537,166	Common	$0.00192	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/03/2020	New Issuance	3,870,968	Common	$0.0031	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/03/2020	New Issuance	5,300,000	Common	$0.0007	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/04/2020	New Issuance	5,000,000	Common	$0.0022	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/04/2020	New Issuance	4,800,000	Common	$0.0015	Yes	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/05/2020	New Issuance	5,000,000	Common	$0.0015	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/05/2020	New Issuance	5,600,000	Common	$0.0007	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/05/2020	New Issuance	4,389,321	Common	$0.000935	Yes	JSJ Investments, Inc. (Sameer Hirji)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/06/2020	New Issuance	5,000,000	Common	$0.0013	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/06/2020	New Issuance	3,030,303	Common	$0.00132	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

									Securities Act
03/06/2020	New Issuance	6,846,154	Common	$0.0013	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/09/2020	New Issuance	5,908,242	Common	$0.0022	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/09/2020	New Issuance	6,846,154	Common	$0.0013	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/09/2020	New Issuance	6,887,905	Common	$0.001155	Yes	Odyssey Capital Funding, LLC (Ahron Fraiman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/09/2020	New Issuance	7,261,541	Common	$0.00072	Yes	GW Holdings Group, LLC (Noah Weinstein)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/09/2020	New Issuance	7,584,000	Common	$0.00088	Yes	GS Capital Partners, LLC (Gabe Sayegh)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/09/2020	New Issuance	6,833,333	Common	$0.0012	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/10/2020	New Issuance	7,604,166	Common	$0.00096	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/10/2020	New Issuance	6,836,735	Common	$0.00098	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/10/2020	New Issuance	7,500,000	Common	$0.0011	Yes	FirstFire Global Opportunities	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

						Fund, LLC (Eli Fireman)			Securities Act
03/10/2020	New Issuance	9,359,008	Common	$0.00138	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/11/2020	New Issuance	10,000,000	Common	$0.00049	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/11/2020	New Issuance	7,016,357	Common	$0.00088	Yes	JSJ Investments, Inc. (Sameer Hirji)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/12/2020	New Issuance	11,041,666	Common	$0.00048	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/12/2020	New Issuance	10,000,000	Common	$0.00037	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/12/2020	New Issuance	6,850,437	Common	$0.00048	Yes	LG Capital Funding, LLC (Joseph Lerman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/13/2020	New Issuance	12,110,973	Common	$0.0007	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/13/2020	New Issuance	11,500,000	Common	$0.00035	Yes	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/13/2020	New Issuance	13,078,818	Common	$0.000225	Yes	GW Holdings Group, LLC (Noah Weinstein)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/13/2020	New Issuance	10,000,000	Common	$0.00031	Yes	Power Up Lending Group,	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

						Ltd. (Curt Kramer)			Securities Act
03/16/2020	New Issuance	15,832,609	Common	$0.0005	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/16/2020	New Issuance	21,239,333	Common	$0.00018	Yes	LG Capital Funding, LLC (Joseph Lerman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/16/2020	New Issuance	11,137,022	Common	$0.00044	Yes	GS Capital Partners, LLC (Gabe Sayegh)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/16/2020	New Issuance	10,000,000	Common	$0.00024	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/20/2020	New Issuance	13,259,251	Common	$0.00022	Yes	JSJ Investments, Inc. (Sameer Hirji)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/23/2020	New Issuance	10,000,000	Common	$0.00012	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/23/2020	New Issuance	18,595,433	Common	$0.000045	Yes	GW Holdings Group, LLC (Noah Weinstein)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/23/2020	New Issuance	18,737,237	Common	$0.0001	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/23/2020	New Issuance	10,000,000	Common	$0.00012	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/23/2020	New Issuance	10,761,636	Common	$0.000055	Yes	GS Capital Partners, LLC (Gabe Sayegh)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

									Securities Act
03/24/2020	New Issuance	18,000,000	Common	$0.00015	Yes	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/24/2020	New Issuance	16,843,166	Common	$0.00006	Yes	LG Capital Funding, LLC (Joseph Lerman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/24/2020	New Issuance	21,666,667	Common	$0.00012	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/24/2020	New Issuance	22,064,727	Common	$0.000055	Yes	Odyssey Capital Funding, LLC (Ahron Fraiman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/25/2020	New Issuance	22,242,861	Common	$0.000045	Yes	GW Holdings Group, LLC (Noah Weinstein)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/25/2020	New Issuance	21,666,667	Common	$0.00012	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
03/26/2020	New Issuance	25,154,596	Common	$0.000055	Yes	JSJ Investments, Inc. (Sameer Hirji)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/01/2020	New Issuance	28,714,642	Common	$0.000045	Yes	GW Holdings Group, LLC (Noah Weinstein)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/01/2020	New Issuance	30,000,000	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/02/2020	New Issuance	30,000,000	Common	$0.00006	Yes	Power Up Lending Group,	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

						Ltd. (Curt Kramer)			Securities Act
04/02/2020	New Issuance	30,000,000	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/03/2020	New Issuance	30,000,000	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/01/2020	New Issuance	30,000,000	Common	$0.0001	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/08/2020	New Issuance	38,333,333	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/03/2020	New Issuance	37,497,716	Common	$0.000045	Yes	GW Holdings Group, LLC (Noah Weinstein)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/13/2020	New Issuance	38,333,333	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/15/2020	New Issuance	38,333,333	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/16/2020	New Issuance	38,333,333	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/14/2020	New Issuance	40,770,888	Common	$0.000045	Yes	GS Capital Partners, LLC (Gabe Sayegh)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/21/2020	New Issuance	49,000,000	Common	$0.0001	Yes	Firstfire Global Opportunities	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

						Fund, LLC (Eli Fireman)			Securities Act
04/21/2020	New Issuance	12,833,333	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
04/29/2020	New Issuance	41,250,888	Common	$0.000045	Yes	GS Capital Partners, LLC (Gabe Sayegh)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
05/28/2020	New Issuance	5,000,000	Series A Preferred (2)	$0.01	No	Beijing Gas Blue Sky Holdings Limited (3)	Cash	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
05/28/2020	New Issuance	5,000,000	Series A Preferred (2)	$0.01	No	Kevin J. Sylla (4)	Cash	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
9/22/2020	New Issuance	48,333,333	Common	$0.00006	Yes	Power Up Lending Group, Ltd. (Curt Kramer)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/05/2020	New Issuance	55,782,649	Common	$0.0004	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/05/2020	New Issuance	60,978,037	Common	$0.0002	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/05/2020	New Issuance	64,020,841	Common	$0.0002	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
11/05/2020	New Issuance	67,215,481	Common	$0.0002	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
1/26/2021	New Issuance	70,569,533	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

									Securities Act
1/29/2021	New Issuance	55,551,420	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
2/3/2021	New Issuance	52,770,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
2/5/2021	New Issuance	61,726,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
2/10/2021	New Issuance	81,911,045	Common	$0.001155	Yes	Odyssey Capital Funding, LLC (Ahron Fraiman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
2/17/2021	New Issuance	57,080,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
2/25/2021	New Issuance	42,350,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
3/12/2021	New Issuance	91,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
3/16/2021	New Issuance	9,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
3/23/2021	New Issuance	96,000,000	Common	$0.0001	Yes	Firstfire Global Opportunities Fund, LLC (Eli Fireman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
3/24/2021	New Issuance	54,100,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

									Securities Act
3/31/2021	New Issuance	50,000,000	Common	$0.0038	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/5/2021	New Issuance	90,277,777	Common	$0.00036	Yes	Jefferson Street Capital, LLC (Brian Goldberg)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/5/2021	New Issuance	42,500,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/7/2021	New Issuance	30,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/7/21	New Issuance	40,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/8/2021	New Issuance	30,377,697	Common	$0.001155	Yes	Odyssey Capital Funding, LLC (Ahron Fraiman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/8/2021	New Issuance	157,443,652	Common	$0.000315	Yes	GW Holdings Group, LLC (Noah Weinstein)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/9/2021	New Issuance	55,742,672	Common	$0.000315	Yes	GW Holdings Group, LLC (Noah Weinstein)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/12/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/13/2021	New Issuance	34,110,394	Common	$0.0155	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

									Securities Act
4/14/2021	New Issuance	67,200,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/16/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/16/2021	New Issuance	83,870,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/19/2021	New Issuance	87,800,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/20/2021	New Issuance	60,938,828	Common	$0.00063	Yes	Crown Bridge Partners, LLC (Seth Adhoot)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/21/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/23/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/27/2021	New Issuance	109,500,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/28/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
4/28/2021	New Issuance	13,572,592	Common	$0.0009	Yes	GS Capital Partners, LLC (Gabe Sayegh)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

									Securities Act
4/30/2021	New Issuance	114,900,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/5/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/7/2021	New Issuance	123,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/11/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/13/2021	New Issuance	120,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/17/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/19/2021	New Issuance	120,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/21/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/26/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
5/27/2021	New Issuance	80,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

									Securities Act
5/28/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/7/2021	New Issuance	152,377,040	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/8/2021	New Issuance	50,000,000	Common	$0.0002926	Yes	GW Holdings Group, LLC (Noah Weinstein)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/9/2021	New Issuance	45,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/14/2021		90,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/17/2021	New Issuance	139,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/21/2021	New Issuance	100,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/24/2021	New Issuance	87,448,136	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Cashless warrants per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/24/2021	New Issuance	3,701,435	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
6/28/2021	New Issuance	124,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the

									Securities Act
6/30/2021	New Issuance	107,000,000	Common	$0.0002926	Yes	Labrys Fund, L.P. (TJ Silverman)	Principal conversion per conv note	Unrestricted	Exemption: Section 4(a)(2) of the Securities Act
Shares Outstanding on Date of This Report: Ending Balance as of 6/30/2021 Common: 4,991,037,334 Series A Preferred: 10,000,000									

Footnotes:

(1) Shares were restricted at the time of issuance.

(2) Each share of Series A Preferred Stock is convertible into 200 shares of the Company's common stock. A total of 10,000,000 shares of Series A Preferred Stock convertible into 2,000,000,000 shares of common stock were issued.

(3) The Company issued 5,000,000 shares of Series A Preferred Stock to a related party, Beijing Gas Blue Sky Holding Limited ("BGBS"), pursuant to an agreement dated April 6, 2020, yielding total cash proceeds of $50,000, net to the Company. BGBS is publicly traded on the Hong Kong exchange under the symbol 6828.HK. Mr. Li Weiqi is the company's CEO/Executive Director and the Company's website is www.bgbluesky.com. Mr. Li Weiqi is believed to have the power to vote, or to direct the voting of, such shares. For more information, please refer to the Company's Current Report Form 8-K filed with the SEC on May 28, 2020.

(4) As a condition of the BGBS transaction (see footnote above), the Company's Executive Chairman, Kevin J. Sylla, also agreed to convert $100,000 of outstanding debt owed to him by the Company into 5,000,000 shares of Series A Preferred Stock. For more information, please refer to the Company's Current Report Form 8-K filed with the SEC on May 28, 2020.

B. Debt Securities, Including Promissory and Convertible Notes

The following chart lists and describes all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of Foothills' equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
12/30/2016	$6,000,000	$6,000,000	$1,800,000	6/30/2017	n/a	Total Belief Limited (1) (Peter Mak)	Acquisition of oil and gas assets
12/30/2016	–	$1,250,000	-	6/20/2017	n/a	Berwin Trading Limited (2) (Gloria Liu)	Acquisition of oil and gas assets
5/10/2017	$50,000	$50,000	$20,712	5/10/2018	Convertible per terms described in below footnote (3)	Elliot G. Freier Revocable Trust U/A 9/6/06 (5)	Convertible Note

8/9/2017	–	$1,050,000	-	9/8/2017	n/a	Profit Well Limited (4) (M. Xifang FANG)	Promissory note for repayment of Full Wealth debenture
9/29/2017	$250,000	$250,000	$121,952	9/8/2017	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (5)	Promissory Note
11/1/2017	$110,629	$120,629	$52,025	2/2/2018	n/a	Law Offices of Aaron A. Grunfeld (6)	Legal services rendered
11/1/2018	–	$380,000	–	5/1/2019	Convertible per terms described in below footnote (7)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note
7/19/2018	$38,000	$38,000	–	8/6/2018	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (8)	Promissory Note
8/11/2018	$44,000	$44,000	$17,153	2/11/2020	Convertible per terms described in below footnote (9)	Elliot G. Freier Revocable Trust U/A 9/6/06	Convertible Note
9/14/2018	$100,000	$100,000	$25,151	12/15/2018	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (10)	Promissory Note
10/22/2018	$50,000	$50,000	$14,140	10/22/2019	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (11)	Promissory Note
12/19/2018	–	$58,300	–	9/19/2019	Convertible per terms described in below footnote (12)	Jefferson Street Capital (Brian Goldberg)	Convertible Note
2/5/2019	$209,525	$209,525	$174,338	2/5/2020	n/a	Elliot G. Freier Revocable Trust U/A 9/6/06 (13)	Discounted debenture
3/4/2019	$357,407	$705,882	$125,096	9/1/2019	Convertible per terms described in below footnote (14)	FirstFire Global Opportunities Fund, LLC (Eli Fireman)	Convertible Note
3/6/2019	$236,894	$380,000	$79,213	9/6/2019	Convertible per terms described in below footnote (15)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note
3/19/2019	–	$52,250	–	12/19/2019	Convertible per terms described in below footnote (16)	Jefferson Street Capital (Brian Goldberg)	Convertible Note
3/20/2019	–	$40,018	–	3/28/2020	Convertible per terms described in below footnote (17)	Crown Bridge Partners, LLC (Seth Adhoot)	Convertible Note
5/15/2019	–	$131,250	–	5/15/2020	Convertible per terms described in below footnote (18)	Odyssey Capital Funding, LLC (Ahron Fraiman)	Convertible Note

5/29/2019	–	$57,000	–	5/29/2020	Convertible per terms described in below footnote (19)	JSJ Investments, Inc. (Sameer Hirji)	Convertible Note
5/31/2019	–	$86,625	–	5/31/2020	Convertible per terms described in below footnote (20)	GW Holdings Group, LLC (Noah Weinstein])	Convertible Note
5/31/2019	–	$60,000	–	5/31/2020	Convertible per terms described in below footnote (21)	GS Capital Partners, LLC (Gabe Sayegh)	Convertible Note
6/4/2019	–	$46,200	–	6/4/2020	Convertible per terms described in below footnote (22)	LG Capital Funding, LLC (Joseph Lerman)	Convertible Note
6/19/2019	–	$113,000	–	6/17/2020	Convertible per terms described in below footnote (23)	Power Up Lending Group, Ltd. (Curt Kramer)	Convertible Note
7/11/2019	–	$236,250	–	7/11/2020	Convertible per terms described in below footnote (24)	Odyssey Capital Funding, LLC (Ahron Fraiman)	Convertible Note
7/11/2019	–	$78,000	–	7/11/2020	Convertible per terms described in below footnote (25)	Power Up Lending Group, Ltd. (Curt Kramer)	Convertible Note
7/23/2019	–	$110,000	–	7/23/2020	Convertible per terms described in below footnote (26)	GS Capital Partners, LLC (Gabe Sayegh)	Convertible Note
9/19/2019	–	$115,000	–	9/19/2020	Convertible per terms described in below footnote (27)	Odyssey Capital Funding, LLC (Ahron Fraiman)	Convertible Note
1/17/2020	$220,000	$220,000	$39,932	4/17/2020	n/a	Beijing Gas Blue Sky Holdings Limited (Li Weiqi) (28)	Bridge Note
1/18/2020	$5,476,505	$5,476,505	$1,074,71 9	12/31/2023	n/a	Beijing Gas Blue Sky Holdings Limited (Li Weiqi) (29)	Deed of Novation and Assignment
05/08/2020	$92,205	$92,205	$307.35	05/08/2022	n/a	CARES Act Paycheck Protection Program Loan from SBA (30)	PPP Loan
08/04/2020	$130,405	$130,405	-	09/30/2020	n/a	Tommy Mit Cheng (31)	Bridge Note
3/18/2021	$502,000	$535,000	$15,830	3/18/2022	Convertible per terms described in below footnote (32)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note
4/5/2021	$355,000	$355,000	$10,037	4/5/2022	Convertible per terms described in below footnote (33)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note
4/16/2021	$700,000	$700,000	$17,260	4/16/2022	Convertible per terms described in below footnote (34)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note
5/18/2021	$555,000	$555,000	$7,846	5/19/2022	Convertible per terms described in below footnote (35)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note

5/28/2021	$485,000	$485,000	$5,262	5/28/2022	Convertible per terms described in below footnote (36)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note
6/25/2021	$700,000	$700,000	$1,151	6/25/2022	Convertible per terms described in below footnote (37)	Labrys Fund, L.P. (TJ Silverman)	Convertible Note

Footnotes:

(1) On December 30, 2016, the Company issued a promissory note in the principal amount of USD $6,000,000 to Total Belief Limited (TBL), a wholly owned subsidiary of New Time Energy Corporation, in connection with certain oil and gas assets acquired on December 30, 2016. These assets include certain oil and gas wells throughout the Uinta Basin in Utah on acreage with over 30 proved undeveloped drilling locations, additional non-operating interest in other leases, and access to approximately 6,000 acres in the Uinta Basin with proven and probable reserves and existing infrastructure in place. This note bears no interest during its term. The Company recorded $342,804 of imputed interest as debt discount. Starting from July 1, 2018 the note bears 10% annual interest.

(2) On January 5, 2017, Foothills borrowed $1,250,000 from Berwin Trading Limited (Berwin). This note called for interest at 9% per annum; but because it was not paid when due interest was to have accrued at a default rate of 11% from the due date of the note. The Company used net proceeds of this loan to satisfy certain obligations under a Purchase and Sale Agreement with Total Belief Limited, dated December 30, 2016, for general working capital and to support certain target drilling activities. On May 4, 2017, the Company and Berwin agreed to extend the maturity date of the debenture to June 20, 2017, in return for an annual interest rate increase from 9% to 13.5% per annum for the life of the debenture. On November 3, 2017, Berwin agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. As partial consideration for the deferment, the Company issued Berwin 100,000 shares of its restricted common stock, valued at $48,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 “Debt – Modifications and Extinguishments” (“ASC 470-50”).

On February 28, 2018, Berwin and the Company agreed to extend the maturity date of the debenture to June 30, 2018, and as consideration for the extension, the Company agreed to compensate Berwin with 250,000 shares of restricted common stock valued at $58,375. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. In addition, the parties agreed that if payment of said principal and interest due and payable is made late, then a penalty payment of $125,000 shall become due and payable to Berwin by the Company. On June 30, 2018, we recorded $125,000 penalty as additional interest payable. The penalty payment was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. The Company and Berwin are in ongoing discussions to extend the term of this Note and the Company believes it will either extend, rework, or repay the obligation to the satisfaction of Berwin. On July 29, 2018, Berwin agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate Berwin with 100,000 shares of restricted common stock valued at $12,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

On January 18, 2020, this debenture was transferred to and assumed by Beijing Gas Blue Sky Holdings Limited pursuant to a Deed of Novation and Assignment (Novation) with the Company of the same date. For more information on the details of the Novation, please see footnote (31) below.

(3) On May 10, 2017, we entered into a convertible note agreement with an unrelated party, pursuant to which we borrowed $50,000 at an annual percentage rate of 10% with a term of 12 months, which is due on May 10, 2018. This note may, at the option of the lender, be converted at any time prior to May 10, 2018, into fully paid, restricted and non-assessable shares of common stock of the Company at a price equal to 100% of the selling price of such common stock in a private placement to institutional and/or accredited investors initiated by the Company during the term of this convertible note until May 10, 2018. On November 7, 2017, the Company issued 50,000 warrants to purchase 50,000 shares of common stock of the Company at a strike price of $1.00 per share expiring on May 7, 2019. If the Company fails to pay the principal and accrued unpaid interest due and payable to Lender on or before the due date of the convertible note, then the Lender shall be provided the right to convert at either $0.665 per share or upon the same terms offered in FirstFire Global Opportunities Fund, LLC Note’s conversion options. The relative fair value of warrant was determined to be $3,381 on November 7, 2017, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 77%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 years. The issuance of the warrants in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

On September 17, 2018, the note holder agreed to defer repayment of this note to December 15, 2018, the Company agreed to compensate the note holder with 50,000 shares of restricted common stock valued at $4,500. On April 4, 2019, note holder confirmed that the Company is not in default with respect to this note. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. As of the Reporting Period, the note is past due, but not in default.

(4) On August 9, 2017, Foothills borrowed $1,050,000 from Profit Well Limited, a Hong Kong limited liability company. The Company executed a Bridge Note with an annual percentage interest rate of 13.5% and a maturity date of September 8, 2017. Proceeds of this Bridge Note were primarily used to repay Full Wealth for the debenture dated June 1, 2017. On November 3, 2017, Profit Well Limited agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. Profit Well Limited also reaffirmed its belief that the Company will either extend or repay the obligation to the satisfaction of Profit Well. As partial consideration for the deferment, the Company agreed to issue Profit Well Limited 100,000 shares of its restricted common stock, valued at $48,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

On February 28, 2018, Profit Well and the Company agreed to extend the maturity date of the debenture to June 30, 2018, and as consideration for the extension, the Company agreed to compensate Profit Well with 200,000 shares of restricted common stock valued at $46,700. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. In addition, the parties agreed that if payment of said principal and interest due and payable is made late, then a penalty payment of $100,000 shall become due and payable to Profit Well by the Company. On June 30, 2018, we recorded $100,000 penalty as additional interest payable. The penalty payment was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. On July 29, 2018, Profit Well Limited agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate Profit Well with 100,000 shares of restricted common stock valued at $12,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

On January 18, 2020, this Bridge Note was transferred to and assumed by Beijing Gas Blue Sky Holdings Limited pursuant to a Deed of Novation and Assignment (Novation) with the Company of the same date. For more information on the details of the Novation, please see footnote (31) below.

(5) On September 29, 2017, the Company issued to an unaffiliated investor a promissory note and three tranches of warrants for an aggregate consideration of $250,000. The Note recites that it accrues no interest if paid when due and is due and payable on January 2, 2018. If principal is not paid on or before maturity, interest will accrue at the rate of 15% per year until paid. On November 6, 2017, the Company agreed to compensate the investor with 75,000 shares of the Company's restricted common stock in connection with a more favorable term of a note entered into with FirstFire Global Opportunities Fund, LLC ("FirstFire"). On December 30, 2017, the Company and the investor agreed to extend the maturity date of this Note to January 23, 2018, in return for a payment at maturity of the principal, accrued interest as provided in the Note, plus 30,000 shares of the Company's restricted common stock. Because the fair value of the shares was greater than 10% of the present value of the remaining cash flows under the Note, the issuance of the shares in connection with a more favorable term of a note entered with FirstFire was treated as a debt extinguishment and reissuance of a new debt instrument pursuant to the guidance of ASC 470-50.

Since January 23, 2018, the Company and the investor have been in ongoing discussions to extend the term of this Note. On March 28, 2018, the investor acknowledged that the Company is not in default regarding this Note and reaffirmed its belief that the Company will either extend the Note's due date or repay its obligation on terms that are mutually satisfactory. The warrants have the following terms:

- 375,000 warrants to purchase 375,000 shares of common stock of the Company at a strike price of $0.665 per share expiring on September 29, 2019;
- 375,000 warrants to purchase 375,000 shares of common stock of the Company at a strike price of $1.25 per share expiring on September 29, 2020; and
- 185,000 warrants to purchase 185,000 shares of common stock of the Company at a strike price of $2.00 per share expiring on September 29, 2020.

The aggregate relative fair value of three tranches of warrants was determined to be $105,000 on September 29, 2017, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 94%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2-3 years. $2,536 imputed interest was recorded as debt discount. $2,536 was determined using the present value method based on the following assumptions: (i) adjusted interest rate 4% (ii) expected life of 0.26 year. The aggregate value of the warrants and imputed interest of $107,536 was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note.

Each tranche of warrants is subject to down round adjustment provisions if the Company during the term of that tranche issues additional securities for consideration per share, after giving effect to fees, commission and expenses, that is less, or which on conversion or exercise of the underlying security is less, than $0.665 per share (as adjusted for any change resulting from forward or reverse splits, stock dividends and similar events).

To satisfy most favored nation provisions in previously entered securities purchase agreements that are triggered by the transaction described above, the Company issued 136,015 shares of common stock and warrants to purchase 136,015 shares of common stock, in the aggregate, to certain investors who purchased units from the Company, at a $1.00 per unit, with each unit consisting of one share and one warrant. See the Company's Current Report on the Form 8-K filed with the SEC on June 5, 2017. Of this amount, 100,752 shares and warrants to purchase 100,752 shares of common stock will be issued to Wilshire Energy Partners LLC, an entity controlled by Kevin J. Sylla, our Executive Chairman and Chief Executive Officer of FPI. The exercise price of these investor warrants was adjusted to $0.665 per share. We measured the value of the effect of the down round feature as the difference between the fair value of the financial instrument at an original exercise price of $1.50 and an adjusted exercise price of $0.665 and, as a result, $59,801 was recorded as down round feature as interest expense under ASC 260-10-30-1. Foothills determined the amount of $59,801 using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 94%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 3 years.

(6) On November 1, 2018, a promissory note in the principal amount of $120,629 was issued for services rendered, bearing an interest rate of 12% per annum, which matured on June 30, 2018. On August 22, 2018, the Note Holder agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. As partial consideration for the deferment, the Company agreed to issue the Note Holder 60,000 shares of its restricted common stock. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

(7) On November 1, 2018, the Company closed on a convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated November 1, 2018, in the principal amount of $380,000, with an original issue discount of 10% and received proceeds of $342,000, with original discount of $42,000 including legal fees (the "Labrys Note"). As part of this transaction the Company issued Labrys warrants having a five-year term to purchase 687,500 shares of the Company's restricted common stock, at an exercise price of $0.20 per share, with a cashless exercise feature ("Warrant #1"). The Company also issued Labrys warrants having a five-year term to purchase 2,062,500 shares of the Company's restricted common stock, at an exercise price of $0.20 per share, with a cashless exercise feature ("Warrant #2"). Warrant #2 provides the Company with an option to call the warrant (the "Call Option") for a period of one-hundred eighty (180) calendar days following issuance for a total consideration of Twenty Thousand U.S. Dollars and No/Cents ($20,000.00) (the "Call Payment"). If the Company exercises the Call Option, then the Company shall make the Call Payment within five (5) business days of the date the Company exercises the Call Option. If the Call Payment is not made withing the required time frame, then the Company shall permanently lose its right to exercise the Call Option with respect to Warrant #2.

The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The Labrys Note accrues interest at 12% per year and matured on May 1, 2019. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. As of December 31, 2020, the note is past due, but not in default.

(8) On July 19, 2018, the Company issued a promissory note in the principal amount of $38,000 from an unaffiliated investor with an original discount of $3,207 (the "Note"). The Note bears interest at 10% per year and matured on August 6, 2018. In connection with the issuance of this note, the Company issued 300,000 shares for late SEC filing, valued at $36,000. $74 imputed interest was recorded as debt discount. $74 was determined using the present value method based on the following assumptions: (i) adjusted interest rate 4% (ii) expected life of 0.05 year. The relative aggregate value of the shares and imputed interest was determined to be $32,793 using the allocation of proceed, $32,793 was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. Pursuant to this Note, the investor shall be assigned an undivided two percent (2%) overriding royalty of all oil, gas, and other minerals and hydrocarbons produced, saved, and sold from each well now or hereinafter located on certain leases and wells owned by the Company.

On August 23, 2018, the lender agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate the lender with 15,000 shares of restricted common stock valued at $1,950. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

(9) On August 11, 2018, the Company borrowed $44,000 from an unaffiliated investor, bearing an interest rate of 12.5% per annum, which matured on February 11, 2020. As part of this transaction the Company also issued (i) warrants having a 24-month term, to purchase 100,000 shares of the Company's common stock at an exercise price of $0.665 per share and (ii) 44,000 shares of the Company's restricted common stock. The Note agreements give the lender the right to convert the loan amounts due into common stock at a fixed conversion price of $0.20. The aggregate relative fair value of the warrant was determined to be $9,035 on August 11, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 221%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2 year. Fair value of 44,000 shares of common stock was determined to be $5,280 using market price. The aggregate value of the warrant and 44,000 shares of common stock of $14,315 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(10) On September 14, 2018, the Company issued a promissory note in the principal amount of $100,000 from an unaffiliated investor, bearing an interest rate of 9% per annum, which matured on December 15, 2018. In connection with the issuance of this note, the Company issued 250,000 shares of its common stock, valued at $22,500, which was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note.

(11) On October 22, 2018, the Company issued a promissory note in the principal amount of $50,000 (the "Note") with a Volumetric Production Payment ("VPP") equal to 1,250 barrels of oil equivalent ("BOE"). The Note matured on October 22, 2019, with the principal and accrued unpaid interest due in full at Maturity. VPP will be made after deduction of 20% royalties due to mineral owners, paid within the term on the Note and at the discretion of the Company as to amount and volume; *provided, however,* that the VPP for any month shall not be less than 5% of the month's total crude oil sales. Payment may be made "in-kind" at the election of the Investor. If election is made by Investor to be paid "in-kind," then Investor shall bear responsibility for paying mineral owner royalties due on said "in-kind" payments. All VPP's to be made from the production of the Company's operating subsidiaries, Foothills Exploration Operating, Inc. and Tiger Energy Operating, LLC, from the well bores of the Company's Duck Creek wells, subject to the terms of the Leases covering such wells. Such VPP will continue until paid in full, regardless of payment in full of the Note and shall be secured by the assets. In the event that the West Texas Intermediate (WTI) crude oil market price closes below USD $40.00 per barrel for 10 consecutive trading days, the Investor shall be allocated a revised VPP equal to 2 times the remaining VPP barrels left over at that time.

Pursuant to this Note, the investor shall be assigned an un undivided one-half percent (0.5%) overriding royalty interest ("ORRI") in all oil, gas and other minerals produced, saved, and marketed from each well now or hereinafter located on wells owned by the Company, subject to the terms of the Leases covering such wells. Upon any default in payment of principal hereunder, the Company shall pay interest on the principal balance of this Note then outstanding and on the accrued but unpaid interest from the date of such default until such default is cured and the Note paid in full at the rate of Fifteen Percent (15%). The Company agreed to issue the investor 200,000 shares of the Company's restricted common stock as additional consideration for entering into the Note with the Company, valued at $16,000, which was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note.

Pursuant to this Note, Investor has the right to participate in any future offering by the Company for a period of twelve (12) months for an amount equal to the principal amount detailed in this Term Sheet. So long as the Note is outstanding, if the Company enters into a subsequent financing with another individual or entity (a third party) on terms that are more favorable to that third party, the agreements between the Company and the investor shall be amended to include such better terms.

(12) On December 19, 2018, Foothills Exploration, Inc. (the "Company"), entered into a convertible loan transaction with an unaffiliated investor (the "Holder") in the principal amount of $58,300 (the "Note"), which funded and closed on December 21, 2018, before giving effect to certain transactional costs including legal fees yielding a net of $53,000. The Note carries an original issue discount of $5,300 (the "OID"), to cover the Holder's accounting fees, due diligence fees, monitoring, and/or other transactional costs incurred in connection with the negotiation, purchase and sale of the Note, which is included in the principal balance of this Note.

The Note agreements give the Holder, after the 180th calendar day after the issue date, the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note due into fully paid and non-assessable shares of Common Stock at the Conversion Price, which is equal the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of this Note or (ii) 60% multiplied by the lowest trading price for the common stock during the twenty-five (25) trading day period ending on the latest complete trading day prior to the conversion date.

The Note accrues interest at 10% per year and matured on September 19, 2019, the date upon which the principal sum, as well as any accrued and unpaid interest, was due and payable. The Company may prepay any amount outstanding under this Note, during the initial 60 calendar day period after the issuance of this Note, by making a payment to the Holder of an amount in cash equal to

125% multiplied by the amount that the Company is prepaying. Notwithstanding anything to the contrary contained in this Note, the Company may prepay any amount outstanding under each tranche of this Note, during the 61st through 120th calendar day period after the issuance of the respective tranche of this Note, by making a payment to the Holder of an amount in cash equal to 135% multiplied the amount that the Company is prepaying. Notwithstanding anything to the contrary contained in this Note, the Company may prepay any amount outstanding under each tranche of this Note, during the 121st through 180th calendar day period after the issuance of the respective tranche of this Note, by making a payment to the Holder of an amount in cash equal to 140% multiplied the amount that the Company is prepaying. As of December 31, 2020, the note is past due, but not in default.

The Company may not prepay any amount outstanding under each tranche of this Note after the 180th calendar day after the issuance of the respective tranche of this Note. Any amount of principal or interest due pursuant to this Note, which is not paid by the Maturity Date, shall bear interest at the rate of the lesser of (i) eighteen percent (18%) per annum or (ii) the maximum amount permitted by law from the due date thereof until the same is paid ("Default Interest"). Interest shall commence accruing on the date that each tranche of the Note is fully paid and shall be computed on the basis of a 360-day year and the actual number of days elapsed. Net proceeds obtained in this transaction will be used for general corporate and working capital purposes. No broker-dealer or placement agent was retained or involved in this transaction.

The Company accounted for the conversion feature, which was recorded as a derivative valued at $102,942, of which $52,942 was expensed immediately to interest expense. $102,942 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 228%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.75 year. The fair value of the conversion feature of $50,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. On June 24, 2019, we increased the principal balance by 10% in the amount of $5,830 and in exchange the noteholder agreed not to convert the Note into common stock until July 21, 2019. The $5,830 in exchange for not converting was treated as an extinguishment of existing debt pursuant to the guidance of ASC 470-50.

On July 19, 2019, we increased the principal balance by 10% in the amount of $6,787 and in exchange the noteholder agreed not to convert the Note into common stock until August 19, 2019. The $6,787 in exchange for not converting was treated as an extinguishment of existing debt pursuant to the guidance of ASC 470-50.

(13) On February 5, 2019, the Company issued a discounted debenture in the principal amount of $209,525 from an unaffiliated investor with an original issue discount of $33,524 (the "Note"). The Note matured on February 5, 2020 and bears 10% interest. The Company failed to pay $71,000 principal payment, which was due on March 15, 2019. As the result, we incurred $100,000 penalty and interest was increased to 15%.

(14) On March 4, 2019, the Company closed on a loan transaction with FirstFire Global Opportunities Fund, LLC, ("FirstFire") pursuant to which the Company issued FirstFire a senior secured convertible promissory note ("FirstFire Note") in the principal amount of $705,882, and received proceeds of $592,500, with original discount of $113,382. As part of this transaction the Company issued (i) warrants having an 18-month term, to purchase 1,125,000 shares of the Company's common stock at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of Common Stock (upon conversion, exercise or otherwise) (including but not limited to under the FirstFire Note), at an effective price per share less than the then Exercise Price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) $0.50 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the exercise price upon issuance.

The FirstFire Note accrues interest of 10% per annum and matured on September 1, 2019, which is the date upon which the principal sum, the original issue discount, as well as any accrued and unpaid interest and other fees, was due and payable. The Company agreed to make payments of $20,000 per month pursuant to a cash management agreement as described in the note agreements. The FirstFire Note is collateralized by the GRB Assets, which were principally acquired by the Company with the net proceeds of this Note.

FirstFire has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) $0.50 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The aggregate relative fair value of the warrant was determined to be $3,553,635 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year. The fair value of the warrant of $273,735 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the FirstFire Note or in full upon the conversion of the FirstFire Note. The conversion feature was recorded as a derivative valued at $4,135,070, of which $3,816,305 was expensed immediately to interest expense. $4,135,070 was determined using the Black-Scholes option-pricing model based on the following assumptions:

(i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The fair value of the conversion feature of $318,765 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the FirstFire Note or in full upon the conversion of the FirstFire Note.

(15) On March 6, 2019, the Company closed on a convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated March 6, 2019, in the principal amount of $380,000, with an original issue discount of 10% and received proceeds of $338,000, with original discount of $42,000 including legal fees (the "Labrys Note"). The Company utilized proceeds in part to pay (i) $110,000 to Labrys as partial repayment of a convertible promissory note issued on November 1, 2018 and (ii) $40,000 to the Company's auditor. As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 608,000 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The Labrys Note accrues interest at 12% per year and matured on September 6, 2019. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The aggregate relative fair value of the warrant was determined to be $2,306,364 on March 6, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $158,860 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $2,599,866, of which $179,140 was expensed immediately to interest expense. $2,599,866 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The fair value of the conversion feature of $179,140 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Labrys Note or in full upon the conversion of the Labrys Note.

(16) On March 19, 2019, the Company entered into a securities purchase agreement (the "JSC SPA") with Jefferson Street Capital, LLC, an unaffiliated investor ("JSC"), pursuant to which the Company issued and sold to JSC a convertible promissory note (the "JSC Note") in the principal amount of $52,250 (the "JSC Principal"). The foregoing transaction closed on March 28, 2019 and the Company received $40,000, with original discount of $12,250. As part of this transaction the Company also issued JSC warrants having an 18-month term to purchase 83,078 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the JSC Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the JSC Note or (ii) 60% multiplied by the market price.

The JSC Note accrues interest at 10% per year, carries an original issue discount of $4,750 and matured on December 19, 2019, at which time the JSC principal, and any accrued but unpaid interest, was due and payable. JSC may convert after the 180th calendar day after the issue date of the JSC Note, all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the JSC Note due into shares of common stock of the Company at the conversion price that is equal to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the JSC Note or (ii) 60% multiplied by the market price.

The aggregate relative fair value of the warrant was determined to be $296,143 on March 19, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year. The fair value of the warrant of $18,160 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $356,844, of which $335,004 was expensed immediately to interest expense. $356,844 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.75 year. The fair value of the conversion feature of $21,840 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the JSC Note or in full upon the conversion of the JSC Note.

(17) On March 20, 2019, the Company, entered into Amendment #1 to the Securities Purchase Agreement dated December 6, 2018, with Crown Bridge Partners, LLC, an unaffiliated investor ("Holder") pursuant to which the Company closed on March 28, 2019 a second tranche under the Note, dated December 6, 2017, with a face value of $40,018 (the "Second Tranche" of the "Note"). The Company received $35,000 with original discount of $5,018 including legal fees. The Note carries an original issue discount of $12,000 (the "OID") to face value prorated to each tranche, to cover the Holder's transaction related costs incurred in connection with the negotiation, purchase and sale of the note. Each tranche of the note funded accrues interest at a rate of 12% per year. The principal amount of each respective tranche, as well as any accrued and unpaid interest and other fees relating to that respective tranche, is due and payable twelve (12) months from the date on which each respective tranche is delivered to the Company. The Company may not prepay any amount outstanding under each tranche of this Note after the 180th calendar day after the issuance of the respective tranche received pursuant to the Note.

As part of this transaction the Company also issued warrants having a 5-year term to purchase 80,036 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion.

The Holder may convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Note due into shares of common stock of the Company at the conversion price that is equal to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion.

The aggregate relative fair value of the warrant was determined to be $106,534 on March 20, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $18,480 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $95,370, of which $78,850 was expensed immediately to interest expense. $16,520 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $21,840 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(18) On May 15, 2019, the Company closed on a loan transaction with Odyssey Capital Funding, LLC ("Odyssey"), pursuant to which the Company issued Odyssey a convertible redeemable promissory note ("Odyssey Note") in the principal amount of $131,250, and received proceeds of $125,000, before giving effect to certain transactional costs. The Odyssey Note accrues interest of 12% per annum and matured on May 15, 2020.

Odyssey is entitled, at its option, at any time after the 180th daily anniversary of the Odyssey Note, to convert all or any amount of the principal face amount of the Odyssey Note then outstanding into shares of the Company's common stock at a price for each share of common stock equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received by the Company.

The conversion feature was recorded as a derivative valued at $230,389, of which $105,389 was expensed immediately to interest expense. $230,389 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 254%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $125,000 and original debt discount of $6,250 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Odyssey Note or in full upon the conversion of the Odyssey Note.

(19) On May 29, 2019, the Company closed on a convertible loan transaction with JSJ Investments, Inc. ("JSJ") in the principal amount of $57,000 and received proceeds of $55,000 with an original issue discount of $2,000 (the "Note"). The Note accrues interest of 10% per annum and matured on May 29, 2020.

The conversion feature was recorded as a derivative valued at $88,261, of which $33,261 was expensed immediately to interest expense. $88,261 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $55,000 and original debt discount of $2,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

The exercise price of this Note was adjusted to 75% of the conversion price of the GW Note dated May 31, 2019. We measured the value of the effect of the down round feature as the difference between the fair value of the financial instrument at an original exercise price and an adjusted exercise price and, as a result, $45,638 was recorded as down round feature as interest expense under ASC 260-10-30-1. Foothills determined the amount of $45,638 using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 3 years.

(20) On May 31, 2019, the Company closed on a convertible loan transaction with GW Holdings Group, LLC ("GW") in the principal amount of $86,625 with an original issue discount of $11,625, before giving effect to certain transactional costs including legal fees yielding a net of $75,000 (the "Note"). This Note matured on May 31, 2020.

GW is entitled, at its option, at any time after the 180th daily anniversary of the Note, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock at a price equal to 50% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received. As part of this transaction the Company also issued warrants having a five-year term to purchase 160,000 shares of the Company's restricted common stock at an exercise price of $0.50 per share with a cashless exercise feature.

The aggregate relative fair value of the warrants was determined to be $159,495 on May 31, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $38,775 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $148,885, of which $112,660 was expensed immediately to interest expense. $148,885 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $36,225 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(21) On May 31, 2019, the Company closed on a convertible loan transaction with GS Capital Partners, LLC ("GS") in the principal amount of $60,000 and received proceeds of $50,000 with an original issue discount of $10,000 (the "Note"). This Note accrues interest of 10% per annum and matured on May 31, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty-five (25) prior trading days including the day upon which a notice of conversion is received,

The conversion feature was recorded as a derivative valued at $92,904, of which $42,904 was expensed immediately to interest expense. $92,904 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $50,000 and original debt discount of $10,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(22) On June 4, 2019, the Company closed on a convertible loan transaction with LG Capital Funding, LLC ("LG"), in the principal amount of $46,200 and received proceeds of $40,000 with an original issue discount of $6,200 (the "Note"). This Note accrues interest of 8% per annum and matured on June 4, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 60% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $73,627, of which $33,627 was expensed immediately to interest expense. $73,627 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $40,000 and original debt discount of $6,200 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(23) On June 19, 2019, the Company closed on a convertible loan transaction with Power Up Lending Group, Ltd. ("Power Up") in the principal amount of $113,000, before giving effect to certain transactional costs including legal fees yielding a net of $113,000 (the "Note"). This Note matured on June 17, 2020.

Power Up is entitled, at its option, at any time after the 180th daily anniversary of the Note, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock at a price for each share of common stock equal to 61% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $274,884, of which $164,884 was expensed immediately to interest expense. $274,884 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 274%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $110,000 and original debt discount of $3,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(24) On July 11, 2019, the Company closed on a convertible loan transaction with Odyssey Capital Funding, LLC ("Odyssey"), in the principal amount of $236,250 and received proceeds of $225,000 with an original issue discount of $11, 250 (the "Note"). This Note accrues interest of 12% per annum and matured on July 11, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $367,966, of which $142,966 was expensed immediately to interest expense. $367,966 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 257%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $225,000 and original debt discount of $11,250 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(25) On July 17, 2019, the Company closed on a convertible loan transaction with Power Up Lending Group, Ltd. ("Power Up") in the principal amount of $78,000 and received proceeds of $75,000 with an original issue discount of $3,000 (the "Note"). This Note accrues interest of 12% per annum and matured on July 17, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 61% of the lowest trading price of the common stock for the twenty (20) prior trading days excluding the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $154,168, of which $79,168 was expensed immediately to interest expense. $154,168 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 254%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $75,000 and original debt discount of $3,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(26) On July 23, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $110,000 and received proceeds of $95,000 with an original issue discount of $15,000 (the "Note"). This Note accrues interest of 10% per annum and matured on July 23, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $242,351, of which $147,351 was expensed immediately to interest expense. $242,351 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 251%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $95,000 and original debt discount of $15,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(27) On September 19, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $115,000 and received proceeds of $110,000 with an original issue discount of $5,000 (the "Note"). This Note accrues interest of 12% per annum and matured on September 19, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $179,617, of which $69,617 was expensed immediately to interest expense. $179,617 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 249%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $110,000 and original debt discount of $5,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(28) On January 17, 2020, the Company closed on a bridge note transaction with an unaffiliated third party in the principal amount of $220,000.00, with an original issue discount of $20,000 and received proceeds of $200,000.00 (the “Bridge Note”). The Bridge Note accrues interest at the rate of 12.5% per annum and matured on April 17, 2020. The Bridge Note may be prepaid at any time without premium or penalty. Unless this Bridge Note is paid in full prior to maturity, the default interest rate shall accrue at the rate of 18% per annum compounded annually from the date of such default. The lender may not assign, sell, pledge, or otherwise transfer all or any portion of its interest in this Bridge Note at any time without prior notice to or consent of the Company.

(29) On January 18, 2020, the Company entered into a Deed of Novation and Assignment (Novation) with Beijing Gas Blue Sky Holdings Limited (BGBS) in the amount of $5,476,505 (Novation Amount), wherein BGBS assumed the Company’s debenture with Berwin Trading Limited (Berwin) in the principal amount of $1,250,000 and the Company’s bridge note with Profit Well Limited (Profit Well) in the principal amount of $1,050,000, plus all accrued unpaid interest and default interest due and payable under both agreements. As part of the Novation, Berwin and Profit Well assigned their respective debenture and bridge note and transferred all their respective rights, title, and interests pursuant thereto to BGBS. In November and December 2019, BGBS also provided two bridge loans to an indirect subsidiary of the Company for the combined total of $140,000, which sum was also included in the Novation Amount. The new maturity date pursuant to the Novation for the combined total balance of $5,476,505 is December 31, 2023, and the new note created therein bears interest at 13.5% per annum accruing from the date of the Novation. Pursuant to the Novation, the Company agreed to make a principal payment of $500,000 on December 31, 2020 and another principal payment of $500,000 on December 31, 2021. The Company also agreed to make quarterly interest payments in the approximate amount of $184,832 with the first such interest payment due on January 20, 2022. All sums due pursuant to the Novation are secured and collateralized by a security interest in the Company’s Ute Tribal North properties.

(30) On May 8, 2020, the Company received net proceeds of $92,205 from the U.S. Small Business Administration under the CARES Act Paycheck Protection Program (“PPP Loan”). The PPP Loan bears a fixed interest rate of 1.00% per annum and has a deferment period of six (6) months. The PPP loan is 100% forgivable if the funds are used for the allowed purposes. The Company intends to meet the forgiveness requirements by using over 85% of the loan proceeds for payroll.

(31) On August 4, 2020, the Company closed on a bridge note transaction with an unaffiliated third party for a 0% interest short-term bridge note (the “Bridge Note”) in the principal amount of $130,405, bearing a 10% original issue discount, netting the Company proceeds of $118,550. Terms of the agreement include a personal guaranty signed by the Company’s Executive Chairman.

(32) On March 18, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, (“Labrys”), pursuant to which, the Company issued a convertible promissory note dated March 18, 2021, in the principal amount of $535,000, with an original issue discount of 10% and received proceeds of $481,500, with original discount of $53,500 including legal fees (the “Labrys Note”). The Company utilized proceeds of $275,000 to retire and settle its two (2) outstanding convertible promissory notes with Power Up Lending Group, Ltd.: (i) a 12% convertible promissory note dated June 17, 2019 in the principal amount of $113,000 and (ii) a 12% convertible promissory note dated July 17, 2019 in the principal amount of $78,000. The Company also paid $75,000 to Firstfire Global Opportunities Fund, LLC (“Firstfire”), as the first of six installment payments pursuant to a settlement and release agreement executed with Firstfire on March 15, 2021. The Company also paid approximately $33,000 for the delay rental payments on the Company’s Wind River Basin leases. Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0055 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 116,304,347 shares of the Company’s restricted common stock, at a fixed exercise price of $0.0046 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on March 18, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(33) On April 5, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, (“Labrys”), pursuant to which, the Company issued a convertible promissory note dated April 5, 2021, in the principal amount of $355,000, with an original issue discount of 10% and received proceeds of $319,500, with original discount of $35,500 including legal fees (the “Labrys Note”). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount

and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0055 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 42,771,084 shares of the Company's restricted common stock, at a fixed exercise price of $0.0083 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on April 5, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(34) On April 16, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated April 16, 2021, in the principal amount of $700,000, with an original issue discount of 10% and received proceeds of $630,000, with original discount of $70,000 including legal fees (the "Labrys Note"). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.004 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 175,000,000 shares of the Company's restricted common stock, at a fixed exercise price of $0.004 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on April 16, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(35) On May 18, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated May 18, 2021, in the principal amount of $555,000, with an original issue discount of 10% and received proceeds of $499,500, with original discount of $55,500 including legal fees (the "Labrys Note"). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0017 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 296,791,443 shares of the Company's restricted common stock, at a fixed exercise price of $0.00187 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on May 18, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(36) On May 28, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated May 28, 2021, in the principal

amount of $485,000, with an original issue discount of 10% and received proceeds of $436,500, with original discount of $48,500 including legal fees (the “Labrys Note”). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0012 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 367,424,242 shares of the Company’s restricted common stock, at a fixed exercise price of $0.00132 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on May 28, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(37) On June 25, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, (“Labrys”), pursuant to which, the Company issued a convertible promissory note dated June 25, 2021, in the principal amount of $700,000, with an original issue discount of 10% and received proceeds of $630,000, with original discount of $70,000 including legal fees (the “Labrys Note”). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0021 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 303,030,303 shares of the Company’s restricted common stock, at a fixed exercise price of $0.00231 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on June 25, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

4) Financial Statements

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)[4]:

Name:	Bruno P. Allaire
Title:	CEO / Interim CFO / Director, Foothills Exploration, Inc.
Relationship to Issuer:	CEO / Interim CFO / Director

See Financial Statements and footnotes attached hereto.

[4] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

5) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. In answering this item, please include the following:

A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

Foothills Exploration, Inc. (the “Company”) was incorporated in the state of Delaware on May 13, 2010, under the name “Key Link Assets Corp.” for the purpose of acquiring a portfolio of heavily discounted real estate properties in the Chicago metropolitan area. The Company changed its focus and planned to acquire small and medium sized grocery stores in non-urban locales that are not directly served by large national supermarket chains.

On May 2, 2016, Foothills Petroleum Inc., a Nevada corporation (“FPI”) acquired approximately 14.1 million pre-split (56.4 million post-split) shares of the Company’s common stock constituting approximately 96% of our then issued and outstanding shares (“FPI Acquired Shares”). As of May 16, 2016, we effected a 4:1 forward split of our shares of common stock.

On May 27, 2016, the Company entered into a Share Exchange Agreement with shareholders of FPI whereby we acquired all of the outstanding shares of FPI in exchange for 4,500,000 shares of our common stock and also issued 1,503,759 shares of our common stock on automatic conversion of debt (please see discussion below under Overview) for an aggregate of 6,003,759 shares of our common stock (the “Share Exchange”). As a result of the Share Exchange, FPI became our wholly owned subsidiary and the FPI Acquired Shares were returned to treasury and deemed cancelled. For accounting purposes, this transaction is being accounted for as a reverse acquisition and has been treated as a recapitalization of the Company with FPI considered the accounting acquirer, and the financial statements of the accounting acquirer became the financial statements of the registrant. The completion of the Share Exchange resulted in a change of control. The FPI Shareholders obtained approximately 96% of voting control on the date of Share Exchange. FPI was the acquirer for financial reporting purposes and the Company was the acquired company. The consolidated financial statements after the acquisition include the balance sheets of both companies at historical cost, the historical results of FPI and the results of the Company from the acquisition date. All share and per share information in the accompanying consolidated financial statements and footnotes have been retroactively restated to reflect the recapitalization.

Prior to the Share Exchange, the Company had minimal assets and recognized no revenues from operations and were accordingly classified as a shell company. On June 24, 2016, the Company filed an Amendment No. 1 to its Current Report on Form 8-K originally filed on June 10, 2016, indicating that they were no longer a shell company as defined by Rule12b-2 of the Exchange Act. In light of the closing of the Share Exchange, the Company became actively engaged in oil and gas operations.

On August 4, 2016, the Financial Industry Regulatory Association (“FINRA”) approved our name change from Key Link Assets Corp. to Foothills Exploration, Inc., and a change of trading symbol from KYLK to FTXP.

On June 17, 2019, the Company filed a Certificate of Amendment to its Certificate of Incorporation with the Secretary of State of the State of Delaware, increasing the authorized capital of the Company. The total number of shares of all classes of stock which the Company is authorized to issue was increased to 500,000,000 shares, consisting of 475,000,000 shares of common stock, $0.0001 par value, and 25,000,000 shares of preferred stock, $0.0001 par value.

On October 23, 2019, the Company filed a Certificate of Amendment of its Certificate of Incorporation with the Secretary of State of the State of Delaware, increasing the authorized capital of the Company. The total number of shares of all classes of stock which the Company is authorized to issue was increased to 2,000,000,000 shares, consisting of 1,975,000,000 shares of common stock, $0.0001 par value, and 25,000,000 shares of preferred stock, $0.0001 par value.

On August 13, 2020, the Company filed a Certificate of Amendment of its Certificate of Incorporation with the Secretary of State of the State of Delaware increasing the authorized capital of the Company. The total number of shares of all classes of stock which the Company is authorized to issue was increased to 20,000,000,000 shares, consisting of 19,975,000,000 shares of common stock, $0.0001 par value, and 25,000,000 shares of preferred stock, $0.0001 par value.

Employees

As a direct result of COVID-19 shut-downs and the resulting collapse in global energy prices, effective May 29, 2020, the Company furloughed all employees except for the Company's Executive Chairman due to lack of work. The Company recalled the Company's CEO, B.P. Allaire, effective January 1, 2021, and also recalled Christopher C. Jarvis, Executive Vice President of Finance and Director and Alex Hemb, Director, on March 19, 2021. On April 9, 2021, the Company recalled Tara Roberts, Vice President of Business Development. As of June 30, 2021, and June 30, 2020, the Company had 5 employees and 1 employee, respectively, including our executive officers.

Our Strategy

Foothills Exploration, Inc. (OTC: FTXP), is an independent exploration and development company focused on delivering the energy needs of today and tomorrow. The Company is dedicated to providing energy while also maintaining and supporting U.S. national security interests. As the global energy markets move towards greener pastures, the Company's long-term strategy is to build a balanced energy mix for the future that is carbon neutral in the long-term. Foothills will continue to explore for oil and gas in the near term because the global consensus is that hydrocarbons will continue to play a significant role in the global energy matrix for the next several decades, even as the world increasingly transitions to renewables and carbon free transportation fuels.

Meeting Today's Energy Needs:

Wind River Basin

The Company's current focus is on generating high-impact exploration projects focused on natural gas and oil. To that end, work continues on the geological and geophysical delineation of the Company's principal asset located in the Wind River Basin of Wyoming, consisting of over 16,000 acres of highly prospective development acreage. The Company is working to acquire and process seismic data with the goal of developing a 4 well drilling program to develop the acreage.

Acquisitions and Rollup Strategy

The Company's acquisitions and roll up strategy is based on identifying high-quality, non-core, stranded, and distressed assets in the U.S. Rocky Mountain and Midcontinent regions, which are selling at a discount to intrinsic value. The Company's strategic objective is to build a portfolio of producing properties with low operating costs, long lived reserves, and upside development potential. We intend to acquire oil and gas properties with attractive valuation metrics and appealing geological risk/reward profiles, which are better positioned to benefit from an improvement in commodity prices. Our primary focus is the U.S. Rocky Mountain and Midcontinent regions, where our consultants and technical staff have conducted successful oil and gas operations. Our geographical focus, regional experience, and strategic industry relationships advantageously position the Company to acquire high quality oil and gas assets at attractive valuations in the current environment.

Foothills is primarily focused on acquiring oil and gas assets that come with current production, existing infrastructure in place, and future developmental potential. Acquired assets are subsequently optimized to maximize production and create shareholder value. Our strategy also includes targeting adjacent oil and gas properties with similar characteristics for bolt on acquisitions to increase total acreage in a concentrated geographical area, enabling us to optimize the profitable operation of those assets.

The Company aims to achieve a lower cost of entry and generate an overall better return on invested capital by acquiring assets at a discount to inherent value, optimizing and developing those assets, and then operating those assets profitably, even at current energy prices. Management believes that accomplishing of these objectives will create and maximize shareholder value in the long term.

Meeting Tomorrow's Energy Needs:

Foothills is also working to develop carbon-free energy sources by making investments and entering into joint ventures to develop hydrogen and geothermal-related projects. Management is evaluating areas where the Company can contribute to a viable, realistic, and balanced future energy mix.

Hydrogen

Just as natural gas is often discussed as a bridge fuel in the global energy transition, hydrogen should be viewed as a coupling and complementary fuel that will eventually lead the world to net zero emissions. Hydrogen gas is the fuel that is most interchangeable with natural gas (methane) and it should be noted that many existing consumer and commercial appliances are capable of running on a blend of natural gas and up to about 15% hydrogen gas without requiring modification. Hydrogen fuel cells have also emerged as viable alternatives to battery electric fuel cells in light duty transportation and some suggest the benefits for medium-duty and heavy-duty transportation are even greater due to the weight of current battery electric fuel cell technologies. Hydrogen has an important role to play in the global energy transition as a strategic complement to electrification because the road to 'electrify everything' is also fraught with potential unintended consequences.

Our Properties

	Unproved Acreage		Proved Acreage		Total Acreage	
	Gross	Net	Gross	Net	Gross	Net
Wyoming	16,387	16,387			16,387	16,387
Utah	—	—	7,842	7,842	7,842	7,842
Total	16,387	16,387	7,842	7,842	24,229	24,229

Wyoming Properties

The Company's Wind River Basin oil and natural gas prospective resources were evaluated by an independent third-party engineering firm on January 6, 2020, for the Company's interest in 16,387 acres located in an area known as the Beaver Creek East Project. The report indicates Prospective Resources of approximately 21 million barrels of undiscovered oil, with a PV-10 value of $372 million (after risk). For additional details, please refer to the Company's Current Report Form 8-K filed with the SEC on January 21, 2020.

Utah Properties

The Utah properties, located in Uintah and Duchesne Counties, comprise of operated and non-operated working interests as well as rights and interests in a project for future development. The Company is researching strategic alternatives to retain six oil and gas wells in the Duck Creek area of the Altamont Bluebell field located in Uintah County, Utah, in which the Company has a 100% working interest with an 80% net revenue interest.

The Company intends to continue its Bureau of Indian Affairs ("BIA") Administrative Appeal to assert its rights and interests in the oil and gas leases on the Ute Indian Uintah and Ouray Reservation. The Company owns all rights and interests acquired in the Purchase and Sale Agreements between TEPI and Mountain Oil & Gas, Inc., dated April 16, 2012, and December 18, 2012. The Company decided to move forward with the BIA Administrative Appeal instead of the revised Global Settlement Agreement to obtain a more attractive settlement price reflecting current commodity prices.

The Company owns a small (under 1%) non-operated working interest in certain leases located in Duchesne County, Utah.

On August 28, 2017, the Company acquired a 21.6% non-operated working interest with a 17.1% net revenue interest in two horizontal wells in the Uinta Basin. The initial production from the two wells commenced in December 2017, and the wells were completed in April 2018. The Company has realized natural gas sales, and associated hydrocarbon revenue from the two wells since December 2017.

The Company recognized approximately $87,154.50 in combined net revenues during the quarter ended June 30, 2021 from both of these non-operated working interests.

Plan of Operations

At June 30, 2021, the Company's current business operations consist of its 21.6% non-operated working interest in two (2) horizontal gas wells operated by EOG Resources, Inc. Last year, because of the COVID-19 global pandemic and restrictions placed by local shelter-in-place orders, the Company was forced to reassess and realign its business model. The Company's major initiative moving forward is to continue the geological delineation of the Company's Wind River Basin properties, define a development plan and secure financing and/or a joint venture partner.

Wind River Basin Properties

The development plan for the Company's Wind River Basin acreage includes presenting geological information supporting the development of a Frontier Formation resource opportunity and applying for a Federal Exploration Unit. The planned Federal Unit obligation wells are in the process of "Notice of Staking" ("NOS") and "Application Permit to Drill" ("APD") on wells that will test the Cretaceous reservoir analogues to the adjacent "Beaver Creek," "Riverton Dome," and "Sand Draw" fields and also specifically analog targets in the Frontier Formation sands being aggressively developed by horizontal drilling activity in the Powder River Basin Wyoming, to the east. Foothills will file this Federal Unit application in the interest of the obtaining the greatest ultimate recovery of oil and gas and the conservation of natural resources in this large leasehold position. The Company will require additional capital investment to carry out its plan for existing properties.

New Asset Acquisitions

The Company is also seeking opportunistic acquisitions of producing assets with long-lived reserves and significant upside development potential. Management is currently evaluating several small to mid-sized production and exploration opportunities in the U.S. Mid-Continent and Rocky Mountain regions to add to the Company's asset portfolio. Asset acquisitions with the following key criteria are being targeted and considered:

- Under-developed conventional assets with long-lived reserves
- Divestitures from large companies due to ESG pressures
- Proved Undeveloped (PUD) drilling opportunities

Natural Hydrogen Exploration

The Company is currently developing a deep hydrogen observatory project, an internal research program designed to identify and locate natural hydrogen signatures globally. Natural hydrogen exploration is an emerging field of the energy industry that has the potential to rapidly increase the pace of the global energy transition to net zero. The artificial intelligence-driven project will employ satellite imagery and geographical information systems for the synergistic application of an algorithm-based model to explore for natural hydrogen seeps globally.

Current Market Outlook

With the world entering a post-pandemic environment and the global economy proceeding to opening back up fully, oil prices recently touched a 6-year high. The recent catalyst behind the steady rise for oil prices has been the global rebound in demand. The demand destruction in 2020 caused by the pandemic has reloaded the global economy with pent up demand in 2021 and provides a strong outlook for oil demand/recovery over the near-term. Offsetting some of oil's bullishness is OPEC+. As we stand today, OPEC+ has roughly 5.5 million barrels per day for additional oil production. If global oil demand continues to rebound at its current rate, there is plenty of spare capacity to meet demand over the near-term. Lastly, the recent breakdown in talks at the OPEC+ meeting in early July has created uncertainty over the outlook for global oil supplies going forward, which should increase market volatility over the near-term.

Post-Pandemic Demand

With the damage done by the COVID-19 pandemic and the global effort to cut emissions significantly over the next several decades, some analysts and market participants have left oil's future for dead. However, not everyone agrees. In fact, the International Energy Agency (IEA) believes not only will oil demand recover to pre-pandemic levels but also wouldn't be surprised to see the previous record to be broken. In July of 2020 Executive Director Fatih Birol said the following: "If oil demand goes back to 100 million b/d [barrels per day] I would not be surprised, and under a strong recovery, I would not be surprised if it went higher than that."

The IEA isn't the only large think tank to believe that not only will oil demand recover post pandemic but will exceed the previous record for global oil demand per barrel per a day. Platts, another well-respected player in the energy space, sees global oil demand per barrel a day exceeding 100 million barrels by the end of 2021 if the world should make a fast and sustained recovery. Clearly, we are witnessing that now given the global economic data as the we aim to return to normalcy with pent-up demand bringing worries of inflation across all commodities with oil leading the way.

OPEC+ Impact Moving Forward

Currently, OPEC+ has additional oil production per day of roughly 5.5 million barrels per day. This cushion should reduce the risk of a "Super Cycle" for global oil prices that occurred in 2008 when demand was outstripping supplies considerably and oil prices spiked to near $150 per barrel. However, if global demand for oil nears pre-pandemic levels per day, the OPEC+ margin of additional available barrels to supply the global market will tighten and should support oil prices moving forward.

Until recently, OPEC+ set a well-structured supply level that the global oil markets operated with high visibility and transparency mainly driven by the global pandemic. However, in early July at the OPEC+ meeting, participants failed to reach an agreement on oil production going forward. The discord amongst members could set the stage for member countries to decide to release crude oil supplies independently. This perhaps sets the stage for new supplies coming to market faster than anticipated and at the very least dims visibility leading to increased oil price volatility heading into the second half of 2021.

Principal Office

The Company's principal office is located at 2660 Townsgate Road, Suite 800, Westlake Village, CA 91361. Its telephone number is (800) 204-5510, and the website address is www.foothillspetro.com.

B. Please list any subsidiaries, parents, or affiliated companies.

Subsidiaries of Foothills Exploration, Inc.:

Foothills Petroleum, Inc., a Nevada corporation*
New Energy Venture Holdings, LLC, a Wyoming limited liability company

Subsidiaries of Foothills Petroleum, Inc.:

Foothills Petroleum Operating, Inc., a Nevada corporation
Foothills Exploration Operating, Inc., a Nevada corporation*
Foothills Exploration LLC, a Wyoming limited liability company*

Subsidiaries of Foothills Exploration Operating, Inc.:

Clear Elite Holdings Limited, a British Virgin Islands limited liability company*
Prominent Sino Holdings Limited, a British Virgin Islands limited liability company
Value Train Investments Limited, a British Virgin Islands limited liability company
Tiger Energy Partners International, LLC, a Nevada limited liability company – 25% total equity ownership

Subsidiaries of Foothills Exploration, LLC:

Foothills Production I, LLC, a Wyoming limited liability company
Foothills Production II, LLC, a Wyoming limited liability company

Subsidiaries of Clear Elite Holdings Limited:

Golden Giants Limited, a British Virgin Islands limited liability company*

Subsidiaries of Golden Giants Limited:

NTE-Utah, LLC, a Delaware limited liability company*

Tiger Energy Partners International, LLC, a Nevada limited liability company – 75% total equity ownership

Subsidiaries of NTE-Utah, LLC:

Tiger Energy Operating, LLC, a Nevada limited liability company*

Subsidiaries of Tiger Energy Operating, LLC:

Tiger Energy Mineral Leasing, LLC, a Nevada limited liability company

**Indicates that it is a parent of one or more entities.*

C. Describe the issuers' principal products or services.

The Company is a development stage company engaged in the acquisition and development of oil and natural gas properties. The Company is focused on acquiring producing and developmental properties in the U.S. Rocky Mountain region. The Company seeks to acquire non-core, dislocated, underdeveloped, and under explored oil and gas assets and maximize those assets to create shareholder value.

The consolidated balance sheets include the accounts of the Company, and its wholly-owned direct and indirect subsidiaries, Foothills Exploration, Inc. ("FTXP"), Foothills Petroleum, Inc. ("FPI"), Foothills Exploration, LLC ("FEL"), Foothills Petroleum Operating, Inc. ("FPOI"), Foothills Exploration Operating, Inc. ("FEOI"), Tiger Energy Partners International, LLC ("TEPI"), Tiger Energy Operating, LLC ("TEO"), and Tiger Energy Mineral Leasing, LLC ("TEML").

The Company's oil and gas operations are conducted by its wholly owned indirect subsidiaries. FEL is a qualified oil and gas operator in the state of Wyoming, and TEO is a qualified oil and gas operator in the state of Utah. The Company's operating entities have historically employed, and will continue in the future to employ, on an as-needed basis, the services of drilling contractors, other drilling related vendors, field service companies and professional petroleum engineers, geologists, and landmen as required in connection with future drilling and production operations.

The Company's results of operations and financial condition are significantly affected by oil and natural gas commodity prices, which can fluctuate dramatically. Commodity prices are beyond our control and are difficult to predict. Many factors enter into the price of oil, both domestic and foreign.

6) Issuer's Facilities

Leases

Effective April 28, 2020, the Company entered a one-year lease, expiring April 30, 2021, for its Westlake Village, California, corporate office for a total cost of approximately $1,270 per month. The lease automatically renews each year for an additional one-year term unless landlord receives the Company's notice of intent to terminate at least ninety (90) days prior to the expiration of the current term.

The Company records the $1,270 monthly rental outright to rent expense.

Title to Oil and Gas Properties

Foothills owns the interest in its oil and gas properties and at times also relies on contracts with the owner or operator of the property, pursuant to which, among other things, the Company has the right to have its interest placed of record. As is customary in the oil and gas industry, we anticipate that a preliminary title examination will be conducted at the time unproved properties or interests are acquired by us. Prior to commencement of drilling operations on such acreage and prior to the acquisition of proved properties, Foothills will conduct a title examination and attempt to cure materially significant defects before proceeding with operations or the acquisition of proved properties, as it may deem appropriate.

Foothills' properties are subject to royalty, overriding royalty and other interests customary in the industry, liens incident to agreements, current taxes and other burdens, minor encumbrances, easements, and restrictions. Foothills' Utah properties acquired from Total Belief Limited on December 30, 2016, are subject to a certain Bureau of Indian Affairs (“BIA”) Administrative Appeal and a Ute Indian Tribe Global Settlement Agreement, each of which does or may affect title to some, all or none of the properties acquired. Foothills is currently attempting to cure title on these properties, subject to the outcome of the BIA Administrative Appeal, which is still ongoing as of the date of this Quarterly Report. To the extent that such defects or disputes exist and cannot be cured, Foothills would suffer title failures, which could result in property valuation impairments and other material adverse consequences to the operations of the Company.

7) Company Insiders (Officers, Directors, and Control Persons)

The table below provides information, as of June 30, 2021, regarding any person or entity owning 5% of more of any class of the issuer’s securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own.

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Kevin J. Sylla	Executive Chairman / Director	Woodland Hills, CA	3,405,000	Common	0.068%*	Restricted stock for services and in lieu of accrued unpaid salary
Bruno P. Allaire	CEO / Interim CFO / Director	Santa Fe, NM	945,333	Common	0.019%*	Restricted stock for services and in lieu of accrued unpaid salary
Christopher C. Jarvis	EVP Finance / Director	Frederick, MD	1,231,667	Common	0.025%*	Restricted stock for services and in lieu of accrued unpaid salary
Alex M. Hemb	Director	Kamas, UT	534,111	Common	0.011%*	Restricted stock for services and in lieu of accrued unpaid salary
Kevin J. Sylla	Executive Chairman / Director	Woodland Hills, CA	5,000,000	Series A Preferred (1)	50%	Series A preferred stock in lieu of accrued unpaid salary (2)
Beijing Gas Blue Sky Holdings Limited	Owner of more than 5%	Hong Kong	5,000,000	Series A Preferred (1)	50%	Series A preferred stock for cash (3)

*Ownership percentage based on a total of 4,991,037,334 shares of Common Stock outstanding as of June 30, 2021.

Footnotes:

(1) Each share of Series A Preferred Stock is convertible into 200 shares of the Company’s common stock. A total of 10,000,000 shares of Series A Preferred Stock convertible into 2,000,000,000 shares of common stock were issued (for more information, see Series A Preferred Stock below).

(2) As a condition of the BGBS transaction (see footnote below), the Company’s Executive Chairman, Kevin J. Sylla, also agreed to convert $100,000 of outstanding debt owed to him by the Company into 5,000,000 shares of Series A Preferred Stock. For more information, please refer to the Company’s Current Report Form 8-K filed with the SEC on May 28, 2020.

(3) On May 28, 2020, the Company issued 5,000,000 shares of Series A Preferred Stock to a related party, Beijing Gas Blue Sky Holding Limited (“BGBS”), pursuant to an agreement dated April 6, 2020, yielding total cash proceeds of $50,000, net to the Company. BGBS is publicly traded on the Hong Kong exchange under the symbol 6828.HK. Mr. Li Weiqi is the company’s

CEO/Executive Director and the Company's website is www.bgbluesky.com. Mr. Li Weiqi is believed to have the power to vote, or to direct the voting of, such shares. For more information, please refer to the Company's Current Report Form 8-K filed with the SEC on May 28, 2020.

Series A Preferred Stock

On May 26, 2020, the Company's Board of Directors duly adopted a corporate resolution creating a series of preferred stock designated as the Series A Preferred Stock, comprised initially of 10,000,000 shares. On May 28, 2020, the Company filed a Certificate of Designation designating the rights and restrictions of its Series A Preferred Stock with the Delaware Secretary of State. Of the 25,000,000 preferred shares authorized at a par value of $0.0001 per share, 10,000,000 were designated as Series A Preferred Stock. The Series A Preferred Stock is convertible at the option of the holder into 200 common shares per one share of Series A Preferred Stock. The Series A Preferred Stock provides for liquidation and dividend rights on an as-if-converted basis into equivalent common shares. The Series A Preferred Stockholders have voting rights with the common shareholders on an as-if-converted basis. *The holders of Series A Preferred Stock have the right, voting as a separate class, following a "Change of Control" (as defined), to elect a majority of the members of the Company's Board of Directors and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.*

On May 28, 2020, the Company issued 5,000,000 shares of Series A Preferred Stock to a related party, Beijing Gas Blue Sky Holding Limited, pursuant to an agreement dated April 6, 2020, yielding total cash proceeds of $50,000, net to the Company. As a condition of this transaction, the Company's Executive Chairman, Kevin J. Sylla, also agreed to convert $100,000 of outstanding debt owed to him by the Company into 5,000,000 shares of Series A Preferred Stock. Each share of Series A Preferred Stock is convertible into 200 shares of the Company's common stock. A total of 10,000,000 shares of Series A Preferred Stock convertible into 2,000,000,000 shares of common stock were issued.

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   Not Applicable

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   Not Applicable

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   Not Applicable

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

   Not Applicable

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

Legal Proceedings

The Company has determined that judgments rendered in the second quarter of 2018 in connection with all but four of the following legal proceedings against the Company are Type 1 subsequent events that provide additional evidence with respect to conditions that existed at the date of the balance sheet. Therefore, the financial statements reflect the effects of prejudgment judgments awards to plaintiffs through June 30, 2021, noted below in accordance with Auditing Standard 2801.03.

UTAH WELLS

Conquest Well Servicing, LLC vs. Foothills Exploration Operating, Inc. (Case No. 179800421 8th Judicial District Court in and for Uintah County, State of Utah)

Conquest Well Servicing, LLC ("Conquest") filed this action on September 11, 2017, for collection of unpaid services and materials in the amount of $49,689 in connection with a workover of wells in Uintah County, Utah. A Settlement Agreement and Stipulation to Entry of Judgment was agreed to by the parties and filed with the court on October 10, 2017. Judgment in the amount of $54,937.10 including $5,248.10 in pre-judgement interest was filed on December 18, 2017. An order requesting company asset inquiry was issued on February 20, 2018. A hearing on contempt by FEOI for failure to appear and an answer as to assets was set for September 13, 2018. A stipulation was filed with the court to continue the hearing to October 22, 2018. FEOI inadvertently failed to appear at this hearing, resulting in a contempt of court citation being issued. Currently, FEOI is seeking to reschedule this hearing and intends to purge any contempt by compliance with the court's order. There has been no change in the status of this matter as of the date of this Quarterly Report.

BIA Administrative Appeal – Tiger Energy Partners International, LLC

Notice of Appeal:	Dated May 8, 2013
Appellant:	Tiger Energy Partners International, LLC
Appellee:	Superintendent Uintah and Ouray Agency
Decision	April 12, 2013
Concerning:	Notice of Expiration of Oil and Gas Leases

This Administrative appeal concerns the ownership and validity of Northern Ute (the "Tribe") Tribal leases acquired by Tiger Energy Partners International, LLC ("TEPI") in a transaction with Mountain Oil and Gas and its affiliated companies. Pursuant to the Global Settlement Agreement ("GSA") negotiated between the Tribe and TEPI, the Company proposes to resolve any issues regarding the ownership of the subject leases and other lands thus acquired. The status of the appeal by TEPI remained unchanged as of the Reporting Period awaiting decision by the Regional Director of the BIA on the merits of the appeal. The decision of the Regional Director is stayed by the parties having entered into the GSA. The Tribe and Tiger remain in discussion regarding approval of the Global Settlement Agreement by the Regional Director. There has been no change in the status of this matter as of the date of this Quarterly Report.

As of June 30, 2021, and December 31, 2020, the balance of other liabilities was $413,782 and $413,782, respectively.

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name:	Jonathan Shechter
Firm:	Foley Shechter Ablovatskiy LLP
Address 1:	1001 Avenue of the Americas, 12th Floor
Address 2:	New York, NY 10018

Phone: (212) 335-0465
Email: js@foleyshechter.com

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, B.P. Allaire certify that:

1. I have reviewed this quarterly disclosure statement of Foothills Exploration, Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 16, 2021

/s/ B.P. Allaire, CEO

Principal Financial Officer:

I, B.P. Allaire certify that:

1. I have reviewed this quarterly disclosure statement of Foothills Exploration, Inc.

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

August 16, 2021

/s/ B.P. Allaire, Interim CFO

Financial Statements and Supplementary Data for Foothills Exploration, Inc. (FTXP)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2021 (Unaudited)	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 481,556	$ 108
Restricted cash	130,000	130,000
Accounts receivable - trade	351,463	179,722
Prepaid expenses	57,500	96,640
Other receivables	10,000	10,000
Total current assets	1,030,519	416,470
Long-term assets		
Net oil and gas properties, full cost accounting	11,959,718	11,934,282
Other assets	145,000	145,000
Total assets	$ 13,135,237	$ 12,495,752
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	$ 6,531,294	$ 6,159,698
Accounts payable – related party	67,589	454,510
Accrued interest	729,496	1,438,999
Accrued interest - related party	2,874,307	1,571,234
Notes payable	1,108,559	2,163,559
Notes payable - related party	11,476,505	7,390,000
Convertible note payable, net	3,704,677	2,026,728
PPP loan	92,205	92,205
Derivative liabilities	5,852,515	6,328,310
Other liabilities	413,782	413,782
Total current liabilities	32,850,929	28,039,025
Long-term liabilities		
Asset retirement obligation	379,173	649,777
Convertible note payable, net	–	–
Total liabilities	33,230,102	28,688,802
Commitment and Contingencies	–	–
Stockholders' Deficit		
Preferred stock, $0.0001 par value; 25,000,000 shares authorized; 10,0000,000 shares issued and outstanding	1,000	1,000
Common stock, $0.0001 par value; 19,975,000,000 shares authorized; 4,991,037,334 and 100,693,521 shares issued and outstanding, respectively	499,104	141,423
Stock to be issued	15,933	15,933
Additional paid in capital	18,322,036	18,151,641
Accumulated deficit	(38,932,938)	(34,503,047)
Total stockholders' deficit	(20,094,865)	(16,193,050)
Total Liabilities and Stockholders' Deficit	$ 13,135,237	$ 12,495,752

The accompanying notes are an integral part of these consolidated financial statements.

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	$ 87,156	$ 90,981	$ 261,966	$ 230,993
Operating expenses				
Lease operating expense	71,085	107,244	154,011	195,982
Selling, general and administrative expense	315,736	191,621	531,180	622,019
Depreciation, depletion, amortization, and accretion expense	14,866	41,738	36,179	85,179
Total operating expenses	401,687	340,603	721,370	903,180
Loss from operations	(314,531)	(249,622)	(459,404)	(672,187)
Other income (expenses):				
Financing expense	(851,251)	(368,000)	(4,725,000)	(808,563)
Change in fair value of derivative instruments	18,693,961	6,608,746	(6,511,186)	10,212,752
Gain on settlement of debt and contingent liabilities	5,578,528	142,832	6,986,981	437,842
Loss on sale of property	–	–	278,718	–
Total other expenses	23,421,238	6,383,578	(3,970,487)	9,842,031
Income (Loss) from operations before income taxes	23,106,707	6,133,956	(4,429,891)	9,169,844
Provision for taxes	–	–	–	–
Net income (loss)	$ 23,106,707	$ 6,133,956	$ (4,429,891)	$ 9,169,844
Net income (loss) per share – basic and diluted	0.01	0.01	(0.00)	0.01
Weighted average common shares – basic and diluted	3,623,563,046	1,049,714,301	2,670,359,723	617,414,735

The accompanying notes are an integral part of these consolidated financial statements.

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Unaudited)

	Preferred stock		Common stock		Additional Paid in	Stocks	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	to be Issued	Deficit	Equity
Balance as of December 31, 2020	**10,000,000**	**$ 1,000**	**1,414,219,113**	**$ 141,423**	**$ 18,151,641**	**$ 15,933**	**$ (34,503,047)**	**$ (16,193,050)**
Common stock issued for conversion of notes	–	–	131,911,045	13,191	194,830	–	–	208,021
Warrant exercises	–	–	590,146,953	59,015	(59,015)	–	–	–
Net loss	–	–	–	–	–	–	(27,536,598)	(27,536,598)
Balance as of March 31, 2021	10,000,000	$ 1,000	2,136,277,111	$ 213,629	$ 18,287,456	$ 15,933	$ (62,039,645)	$ (43,521,627)
Common stock issued for conversion of notes and accrued interest	–	–	1,005,485,825	100,548	219,507	–	–	320,055
Warrant exercises	–	–	1,849,274,398	184,927	(184,927)	–	–	–
Net income	–	–	–	–	–	–	23,106,707	23,106,707
Balance as of June 30, 2021	**10,000,000**	**$ 1,000**	**4,991,037,334**	**$ 499,104**	**18,322,036**	**$ 15,933**	**$ (38,932,938)**	**$ (20,094,865)**

	Preferred stock		Common stock		Additional Paid in	Stocks	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	to be Issued	Deficit	Equity
Balance as of December 31, 2019	**–**	**$ –**	**100,693,521**	**$ 10,070**	**$ 17,731,426**	**$ 15,933**	**(40,358,259)**	**$ (22,600,830)**
Common stock issued for conversion of notes	–	–	408,369,328	40,837	148,045	–	–	188,882
Common stock issued for conversion of accrued interest on notes payable	–	–	13,578,313	1,358	4,440	–	–	5,798
Common stock issued for conversion of financing charges related to notes payable	–	–	19,898,742	1,990	5,260	–	–	7,250
Stock options issued for services	–	–			105,242	–	–	105,242
Warrant exercises	–	–	61,948,069	6,195	(6,195)	–	–	–
Net income	–	–	–	–	–	–	3,035,888	3,035,888
Balance as of March 31, 2020	–	$ –	604,487,973	$ 60,450	$ 17,988,218	$ 15,933	$ (37,322,371)	$ (19,257,770)
Series A Preferred Stocks issued for cash and debt conversion	10,000,000	1,000			149,000			150,000
Common stock issued for conversion of notes	–	–	470,259,466	47,026	(18,107)	–	–	28,919
Common stock issued for conversion of accrued interest on notes payable	–	–	16,919,111	1,692	(930)	–	–	762
Common stock issued for conversion of financing charges related to notes payable	–	–	26,222,222	2,622	(562)	–	–	2,060
Net income	–	–	–	–	–	–	6,133,956	6,133,956
Balance as of June 30, 2020	**10,000,000**	**$ 1,0000**	**1,117,888,772**	**$ 111,790**	**$ 18,117,619**	**$ 15,933**	**$ (31,188,415)**	**$ (12,942,073)**

The accompanying notes are an integral part of these consolidated financial statements.

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30,
(Unaudited)

	2021	2020
Cash Flows from Operating Activities		
Net income (loss)	$ (4,429,891)	$ 9,169,844
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation, depletion, amortization, and accretion	36,178	85,179
Amortization of debt discount	48,877	506,836
Change in derivative liabilities	6,511,186	(10,212,752)
Gain on extinguishment of debt	(6,986,981)	(437,842)
Common stock issued for financing charges	730	9,310
Equity instruments issued for services	–	105,242
Gain on sale of property	(278,718)	–
Novation of interest on notes	1,968,380	–
Common stock issued for default interest	215,375	–
Rent related	–	(1,534)
Changes in operating assets and liabilities:		
Accounts receivable	(171,741)	(74,564)
Prepaid expenses	39,140	7,107
Accounts payable and accrued liabilities	1,693,689	530,157
Net cash used in operating activities	(1,353,776)	(313,017)
Cash Flows from Investing Activities		
Payments for acquisition of oil and gas property	(53,500)	–
Net cash used investing activities	(53,500)	–
Cash Flows from Financing Activities		
Proceeds from notes payable		199,975
Repayment to notes payable	(5,000)	(5,000)
Proceeds from PPP loan	–	92,205
Repayment to convertible note payable	–	(25,000)
Proceeds from convertible note payable	1,893,724	50,000
Net cash provided by financing activities	1,888,724	312,180
Net increase (decrease) in cash and cash equivalents	481,448	(837)
Cash and Cash Equivalents, beginning of period	108	953
Cash and Cash Equivalents, end of period	$ 481,556	$ 116
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	$	$ –
Cash paid for income taxes	$	$ –
Non-Cash investing and financing activities:		
Asset retirement obligation	$	$ –
Debt discount	$	$ –
Note payable exchanged for other note payable	$	$ –
Conversion of notes payable and accrued interest	$ 311,969	$ (224,361)

The accompanying notes are an integral part of these consolidated financial statements.

FOOTHILLS EXPLORATION, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 – Organization

Business

Foothills Exploration, Inc., ("Company," "Foothills Exploration," or "Foothills") was incorporated in the state of Delaware on May 13, 2010, under the name Key Link Assets Corp.

On May 2, 2016, Foothills Petroleum Inc., a Nevada corporation ("FPI"), acquired over 14.1 million pre-split (56.4 million post-split) shares of the Company's common stock constituting approximately 96% of our then issued and outstanding shares ("FPI Acquired Shares"). As of May 16, 2016, we effected a 4:1 forward split of our shares of common stock. Prior to the Share Exchange, the Company had minimal assets and recognized no revenues from operations and was accordingly classified as a shell company. In light of closing the Share Exchange transaction with the shareholders of FPI, the Company became actively engaged in oil and gas operations and is no longer a shell company.

The consolidated balance sheets include the accounts of the Company, and its wholly-owned direct and indirect subsidiaries, Foothills Exploration, Inc. ("FTXP"), Foothills Petroleum, Inc. ("FPI"), Foothills Exploration, LLC ("FEL"), Foothills Petroleum Operating, Inc. ("FPOI"), Foothills Exploration Operating, Inc. ("FEOI"), Tiger Energy Partners International, LLC ("TEPI"), Tiger Energy Operating, LLC ("TEO"), and Tiger Energy Mineral Leasing, LLC ("TEML").

The Company's oil and gas operations are conducted by its wholly owned indirect subsidiaries. FEL is a qualified oil and gas operator in the states of Wyoming and Colorado, and TEO is a qualified oil and gas operator in the state of Utah.

The Company's operating entities have historically employed, and will continue in the future to employ, on an as-needed basis, the services of drilling contractors, other drilling related vendors, field service companies and professional petroleum engineers, geologists, and landmen as required in connection with future drilling and production operations.

On May 23, 2019, Foothills Exploration, Inc., through its indirect wholly owned subsidiary, Foothills Exploration, LLC (the "Company"), entered into a letter agreement for the purchase and sale of oil and gas assets (the "Agreement") with an unrelated third party (the "Seller"), concerning the acquisition of a total of 87 wells and associated acreage located in Montana (the "Assets").

The Assets consist of 29 natural gas wells, 10 producing and 19 shut-in, plus associated acreage, additional miscellaneous leases, associated pipelines, gathering systems, compression and processing facilities, and related yards and equipment, located in Sweet Grass and Stillwater counties, Montana – comprising of the Rapelje, Lake Basin and Six Shooter Fields. The Assets also include oil properties consisting of 58 oil and injection wells with associated acreage located in Musselshell and Rosebud Counties, Montana – 12 proved developed producing wells, 25 proved developed non-producing wells, and 21 injection wells – comprising of the Sumatra and Big Wall / Little Wall fields.

Closing of this transaction is subject to the approval of transfer from the Montana Board of Oil and Gas Conservation. Furthermore, no assurances can be made that the Closing will occur based on financing and other market conditions. For further details on this pending acquisition, please refer to the Company's Current Report on Form 8-K filed with the SEC on May 30, 2019.

On June 17, 2019, Foothills Exploration, Inc. (the "Company") received from the Secretary of State of the State of Delaware confirmation of the effective filing of the Company's Certificate of Amendment to its Certificate of Incorporation (the "Charter Amendment"), increasing the number of shares of Common Stock the Company is authorized to issue from One Hundred Million (100,000,000) to Four Hundred Seventy-Five Million (475,000,000) (the "Increase in Authorized Shares").

On June 26, 2019, Foothills Exploration, Inc., through its indirect wholly owned subsidiary, Foothills Exploration, LLC (the "Company"), entered into a letter agreement (the "Agreement") with an unrelated third-party seller (the "Seller"), with respect to a proposed transaction (the "Transaction") to acquire a total of 12 shut-in wells and approximately 5,769 acres located in Montana (the "Assets"). The Assets consist of four natural gas wells, associated acreage, additional miscellaneous leases, associated pipelines, gathering systems, compression and processing facilities, and related yards and equipment, located in Stillwater and Golden Valley counties, Montana.

The transaction documents contain additional terms and provisions, representations and warranties, including further provisions covering effective time of transfer, venue, and governing law. Closing of this transaction is subject to the approval of transfer from the Montana Board of Oil and Gas Conservation. No assurances can be given that the Company will complete the acquisition. For further details on this pending acquisition, please refer to the Company's Current Report on Form 8-K filed with the SEC on July 1, 2019.

On October 1, 2019, Foothills Exploration, Inc. (the "Company") received from the Secretary of State of the State of Delaware confirmation of the effective filing of the Company's Certificate of Amendment to its Certificate of Incorporation (the "Charter Amendment"), increasing the number of shares of Common Stock the Company is authorized to issue from Four Hundred Seventy-Five Million (475,000,000) to Two Billion (2,000,000,000) (the "Increase in Authorized Shares").

Going Concern

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has a working capital deficit at June 30, 2021, of $31,820,410 and has limited sources of revenue. These conditions have raised substantial doubt as to the Company's ability to continue as a going concern for one year from the issuance of the financial statements. These financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

To address these matters, the Company is actively meeting with investors for possible equity investments, including business combinations; investigating other possible sources to refinance our existing debt; and in continuing discussions with various individuals and groups that could be willing to provide capital to fund operations and growth of the Company.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The financial statements include the accounts of Foothills Exploration, Inc., and all of its direct and indirect wholly-owned subsidiaries including Foothill Petroleum, Inc., Foothills Petroleum Operating, Inc., Foothills Exploration Operating, Inc., Foothills Exploration LLC, Tiger Energy Partners International, LLC, Tiger Energy Operating, LLC and Tiger Energy Mineral Leasing, LLC. Intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation and Functional Currency

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States of America and are expressed in United States dollars (USD).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date(s) of the financial statements and the reported amounts of revenues and expenses during the reporting period(s). Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience, and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates. Significant estimates include those related to assumptions used in impairment testing of long-term assets, accruals for potential liabilities and valuing equity instruments issued for services. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to amounts in prior year to conform to the current year presentation. All reclassifications have been applied consistently to the periods presented and had no effects on previously reported results of operations.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid debt instruments with maturity of three months or less.

Restricted Cash

Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain contractual agreements are recorded in restricted cash in the current assets section of our consolidated balance sheet. At June 30, 2021 and June 30, 2020, the Company had restricted cash of $130,000 and $130,00, respectively. This amount is being held in escrow for the benefit of the State of Utah for certain properties located in Utah, covered under a certain Modification to Stipulated Order between the Utah Division of Oil, Gas and Mining and TEPI dated August 1, 2014 (Case No. SI/TA-102). These funds held in escrow, will be released to the Company once the Company finishes its reclamation of the various wells in question.

Accounts receivable and allowance for doubtful accounts

Accounts receivables are stated at the historical carrying amount net of an allowance for uncollectible accounts. The carrying amount of the Company's accounts receivable approximates fair value because of the short-term nature of the instruments. The Company routinely assesses the collectability of all material trade and other receivables.

Trade accounts receivable comprise receivables from joint interest owners which are recorded when the Company incurs expenses on behalf of the non-operator interest owners of the properties the Company operates.

The Company's oil and gas revenues receivable comprise receivables from purchasers of the Company's production of oil and gas and other hydrocarbons and from operators of properties in which the Company has a non-operated interest, as well as from joint interest owners of properties the Company operates. During the six months ended June 30, 2021 the Company has $351,463 oil and gas revenues receivables.

The Company's reported balance of accounts receivable, net of allowance for doubtful accounts, represents management's estimate of the amount that ultimately will be realized in cash or used in the future to offset an operator's joint interest billings.

The Company reviews the adequacy of the allowance for doubtful accounts on an ongoing basis, using historical payment trends, the age of the receivables and knowledge of the individual customers or joint interest owners. When the analysis indicates, management increases or decreases the allowance accordingly. However, if the financial condition of our customers were to deteriorate, additional allowances might be required.

Oil and Gas Properties

The Company follows the full cost method of accounting for its investments in oil and gas properties. Under the full cost method, all costs associated with the exploration of properties are capitalized into appropriate cost centers within the full cost pool. Internal costs that are capitalized are limited to those costs that can be directly identified with acquisition, exploration, and development activities undertaken and do not include any costs related to production, general corporate overhead, or similar activities. Cost centers are established on a country-by-country basis.

Capitalized costs within the cost centers are amortized on the unit-of-production basis using proved oil and gas reserves. The cost of investments in unevaluated properties and major development projects are excluded from capitalized costs to be amortized until it is determined whether or not proved reserves can be assigned to the properties. Until such a determination is made, the properties are assessed annually to ascertain whether impairment has occurred. The costs of drilling exploratory dry holes are included in the amortization base immediately upon determination that the well is dry.

For each cost center, capitalized costs are subject to an annual ceiling test, in which the costs shall not exceed the cost center ceiling. The cost center ceiling is equal to: (i) the present value of estimated future net revenues computed by applying current prices of oil and gas reserves (with consideration of price changes only to the extent provided by contractual arrangements) to estimated future production of proved oil and gas reserves as of the date of the latest balance sheet presented, less estimated future expenditures (based on current costs) to be incurred in developing and producing the proved reserves computed using a discount factor of ten percent and assuming continuation of existing economic conditions; plus (ii) the cost of properties not being amortized; plus (iii) the lower of cost or estimated fair value of unproved properties included in the costs being amortized; and less (iv) income tax effects related to differences between the book and tax basis of the properties. If unamortized costs capitalized within a cost center, less related deferred income taxes, exceed the cost center ceiling, the excess is charged to expense and separately disclosed during the period in which the excess occurs.

Support Facilities and Equipment

Our support facilities and equipment are generally located in proximity to certain of our principal fields. Depreciation of these support facilities is calculated on a units-of-production basis.

Maintenance and repair costs that do not extend the useful lives of property and equipment are charged to expense as incurred.

Proved Reserves

Estimates of the Company's proved reserves included in this report are prepared in accordance with US GAAP and guidelines from the United States Securities and Exchange Commission ("SEC"). The Company's engineering estimates of proved oil and natural gas reserves directly impact financial accounting estimates, including depreciation, depletion, and amortization expense and impairment. Proved oil and natural gas reserves are the estimated quantities of oil and natural gas reserves that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under period-end economic and operating conditions. The process of estimating quantities of proved reserves is very complex, requiring significant subjective decisions in the evaluation of all geological, engineering and economic data for each reservoir. The accuracy of a reserves estimate is a function of: (i) the quality and quantity of available data; (ii) the interpretation of that data; (iii) the accuracy of various mandated economic assumptions, and (iv) the judgment of the persons preparing the estimate. The data for a given reservoir may change substantially over time as a result of numerous factors, including additional development activity, evolving production history and continual reassessment of the viability of production under varying economic conditions. Changes in oil and natural gas prices, operating costs, and expected performance from a given reservoir also will result in revisions to the amount of the Company's estimated proved reserves. The Company engages independent reserve engineers to estimate its proved reserves.

Fixed Assets

The Company capitalizes expenditures related to property and equipment not directly associated with our production of oil and gas, subject to a minimum rule, that have a useful life greater than one year for: (1) assets purchased; (2) existing assets that are replaced, improved or the useful lives have been extended; or (3) all land, regardless of cost, acquisitions of new assets, additions, replacements and improvements (other than land) costing less than the minimum rule in addition to maintenance and repair costs, including any planned major maintenance activities, are expensed as incurred.

Asset Retirement Obligations

The Company follows the provisions of the Accounting Standards Codification ASC 410 - Asset Retirement and Environmental Obligations. The fair value of an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The present value of the estimated asset retirement costs is capitalized as part of the carrying amount of the long-lived asset. The Company's asset retirement obligations relate to the abandonment of oil and gas producing facilities and facilities that support the production of oil and gas. The amounts recognized are based upon numerous estimates and assumptions, including future retirement costs, future inflation rates and the credit-adjusted risk-free interest rate. After recording these amounts, the ARO will be accreted to its future estimated value using the same assumed cost of funds, and the capitalized costs are depreciated on a unit-of-production basis. Both the accretion and the depreciation will be included in depreciation, depletion, and amortization expense on our consolidated statements of operations.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. The Company considers active markets as those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability. This category includes those derivative instruments that the Company values using observable market data. Substantially all of these inputs are observable in the marketplace throughout the term of the derivative instruments, can be derived from observable data, or supported by observable levels at which transactions are executed in the marketplace.

- Level 3: Measured based on prices or valuation models that require inputs that are both significant to the fair value measurement and less observable from objective sources (i.e. supported by little or no market activity). Level 3 instruments include derivative warrant instruments. The Company does not have sufficient corroborating evidence to support classifying these assets and liabilities as Level 1 or Level 2.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815. The carrying amounts of the Company's financial assets and liabilities, including cash, prepaid expenses, accounts payable, accrued expenses, and other current liabilities, approximate their fair values because of the short maturity of these instruments. The fair value of notes payable and convertible notes approximates their fair values since the current interest rates and terms on these obligations are the same as prevailing market rates.

Certain of the Company's debt and equity instruments include embedded derivatives that require bifurcation from the host contract under the provisions of ASC 815-40, Derivatives and Hedging. The estimated fair value of the derivative warrant instruments was calculated using a Black Scholes valuation model.

The following table sets forth by level within the fair value hierarchy our financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2021 and December 31, 2020:

	Carrying Value	Fair Value Measurement at June 30, 2021		
		Level 1	Level 2	Level 3
Derivative assets, debt, and equity instruments	$ —	$ —	$ —	$ —
Derivative liabilities, debt, and equity instruments	5,852,515	—	—	5,852,515

	Carrying Value	Fair Value Measurement at December 31, 2020		
		Level 1	Level 2	Level 3
Derivative assets, debt, and equity instruments	$ —	$ —	$ —	$ —
Derivative liabilities, debt, and equity instruments	6,328,310	—	—	6,328,310

The Company did not identify any other assets and liabilities that are required to be presented on the consolidated balance sheet at fair value.

Revenue Recognition

The Company recognizes revenue in accordance with the requirements of ASC 606, which directs that it should recognize revenue when a customer obtains control of promised goods or services for an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. All of our revenue is attributable to sales of oil, gas, and other hydrocarbons which are sold daily, with sales aggregated on a monthly basis. In the case of revenue received for a non-operated working interest, we are paid by the operator, which is a joint interest partner and not the purchaser of the product. In the case of revenue received for an operated working interest, we are paid by the marketer to whom we sell the commodities directly pursuant to contractual arrangements.

Debt Issuance Costs, Debt Discount and Detachable Debt-Related Warrants

Costs incurred to issue debt are deferred and recorded as a reduction to the debt balance in our consolidated balance sheets. We amortize debt issuance costs over the expected term of the related debt using the effective interest method. Debt discounts relate to the relative fair value of warrants issued in conjunction with the debt and are also recorded as a reduction to the debt balance and accreted over the expected term of the debt to interest expense using the effective interest method.

Net Earnings (Loss) Per Common Share

We use ASC 260, "*Earnings Per Share*" for calculating the basic and diluted earnings (loss) per share. We compute basic earnings (loss) per share by dividing net income (loss) by the weighted average number of common shares outstanding. Diluted earnings (loss) per share is computed based on the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options and warrants and stock awards. For periods with a net loss, basic and diluted loss per share are the same, in that any potential common stock equivalents would have the effect of being anti-dilutive in the computation of net loss per share.

Income Taxes

The Company accounts for income taxes using the asset and liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. 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 be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Stock-Based Compensation

All share-based payments, including grants of stock to employees, directors and consultants, are recognized in the consolidated financial statements based upon their estimated fair values.

The Company accounts for stock, stock options, and stock warrants issued for services and compensation by employees under the fair value method. For non-employees, the fair market value of the Company's stock is measured on the date of stock issuance or the date an option/warrant is granted as appropriate under ASC 718 "Compensation – Stock Compensation". The Company determined the fair market value of the warrants/options issued under the Black-Scholes Pricing Model. Under the provisions ASC 718, share-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity grant).

The Company's accounting policy for equity instruments issued to consultants and vendors in exchange for goods and services follows ASC Topic 718. As such, the value of the applicable stock-based compensation is periodically re-measured and income or expense is recognized during their vesting terms. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is primarily recognized over the term of the consulting agreement. In accordance with FASB guidance, an asset acquired in exchange for the issuance of fully vested, non-forfeitable equity instruments should not be presented or classified as an offset to equity on the grantor's balance sheet once the equity instrument is granted for accounting purposes.

Recent Accounting Pronouncements

Changes to accounting principles are established by the FASB in the form of ASUs to the FASB's Codification. We consider the applicability and impact of all ASUs on our financial position, results of operations, cash flows, or presentation thereof. Described below are ASUs that are not yet effective, but may be applicable to our financial position, results of operations, cash flows, or presentation thereof. ASUs not listed below were assessed and determined to not be applicable to our financial position, results of operations, cash flows, or presentation thereof.

In December 2019, the FASB issued ASU 2019-12, "Simplifying the Accounting for Income Taxes." This guidance, among other provisions, eliminates certain exceptions to existing guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This guidance also requires an entity to reflect the effect of an enacted change in tax laws or rates in its effective income tax rate in the first interim period that includes the enactment date of the new legislation, aligning the timing of recognition of the effects from enacted tax law changes on the effective income tax rate with the effects on deferred income tax assets and liabilities. Under existing guidance, an entity recognizes the effects of the enacted tax law change on the effective income tax rate in the period that includes the effective date of the tax law. ASU 2019-12 is effective for interim and annual periods beginning after December 15, 2020, with early adoption permitted. We are currently evaluating the impact of this guidance.

In August 2020, the FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity", to reduce complexity in applying GAAP to certain financial instruments with characteristics of liabilities and equity. ASU 2020-06 is effective for interim and annual periods beginning after December 15, 2023, with early adoption permitted. We are currently evaluating the impact of this guidance.

Note 4 – Property and Equipment

Oil and Gas Properties

The Company's oil and gas properties as of June 30, 2021 and December 31, 2020 are located in the United States of America.

The following table provides the details of oil and gas properties, net of depletion, depreciation, amortization, and impairment as of June 30, 2021 and December 31, 2020:

Oil and gas properties, full cost accounting	**June 30, 2021**	**December 31,2020**
Unproved leasehold (1)	$ 106,299	$ 106,299
Proved leasehold and Properties subject to depletion, net of depletion	11,560,451	11,534,890
Total	11,666,750	11,641,189
Support facilities and equipment, net	292,968	293,093
Net oil and gas properties	$ 11,959,718	$ 11,934,282

(1) Not subject to depletion;

Year Incurred		Acquisition Costs		Exploration and Development Costs		Disposition of Assets		Depreciation, Depletion, Amortization, and Impairment		Total
2016 and prior	$	10,252,568	$	1,181,421	$	–	$	–	$	11,433,989
2017		–		3,223,931		–		(1,525,784)		1,698,147
2018		–		1,897,502		–		(2,886,535)		(989,033)
2019		657,304		537,052		–		(672,051)		522,305
2020		(657,304)		(256,726)		–		(110,188)		(1,024,218)
2021		53,500		–		–		(27,940)		25,560
Total	$	10,306,068	$	6,583,180	$	–	$	(5,222,498)	$	11,666,750

For the six months ended June 30, 2021 and 2020, depletion and depreciation expense related to Oil and Gas properties are $36,179 and $85,179, respectively.

Note 5 – Asset Retirement Obligation

The following table provides a reconciliation of the changes in the estimated present value of asset retirement obligations as of June 30, 2021 and December 31, 2020:

		June 30, 2021		December 31, 2020
Beginning asset retirement obligations	$	649,777	$	604,589
Liabilities established (derecognized)		(278,718)		–
Accretion expense		8,114		45,188
Ending asset retirement obligations	$	379,173	$	649,777

Accretion expense for the six months ended June 30, 2021 and 2020 was $8,114 and $11,300, respectively. Accretion expense for the year ended December 31, 2020 was $45,188.

Note 6 – Notes Payable

The following table summarizes the outstanding amounts of our notes payable as of June 30, 2021 and December 31, 2020:

		June 30, 2021		December 31, 2020
13.5% unsecured note payable due September 8, 2017 (1)	$	–	$	1,050,000
0% unsecured note payable due January 2, 2018 (2)		250,000		250,000
12% unsecured note payable June 30, 2019 (3)		110,629		115,629
0% unsecured note payable due August 6, 2018 (4)		38,000		38,000
9% unsecured note payable due December 15, 2018 (5)		100,000		100,000
8% unsecured note payable due October 22, 2018 (6)		50,000		50,000
15% unsecured note payable due February 5, 2020 (7)		209,525		209,525
12.5% unsecured note payable due April 17, 2020 (8)		220,000		220,000
0% unsecured note payable due September 30, 2020 (9)		130,405		130,405
Less: unamortized discount		–		–
Total debt	$	1,108,559	$	2,163,559
Less: current maturities		1,108,559		2,163,559
Long-term debt, net of current maturities	$	–	$	–

(1) Effective August 9, 2017, Foothills borrowed $1,050,000 from Profit Well Limited, a Hong Kong limited liability company. The Company executed a Bridge Note with an annual percentage interest rate of 13.5% and a maturity date of September 8, 2017. Proceeds of this Bridge Note were primarily used to repay Full Wealth for the debenture dated June 1, 2017. On November 3, 2017, Profit Well Limited agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. Profit Well Limited also reaffirmed its belief that the Company will either extend or repay the obligation to the satisfaction of Profit Well. As partial consideration for the deferment, the Company agreed to issue Profit Well Limited 100,000 shares of its restricted common stock, valued at $48,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50 "Debt – Modifications and Extinguishments" ("ASC 470-50"). On February 28, 2018, Profit Well and the Company agreed to extend the maturity date of the debenture to June 30, 2018, and as consideration for the extension, the Company agreed to compensate Profit Well with 200,000 shares of restricted common stock valued at $46,700. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. In addition, the parties agreed that if payment of said principal and interest due and payable is made late, then a penalty payment of $100,000 shall become due and payable to Profit Well by the Company. On June 30, 2018, we recorded $100,000 penalty as additional interest payable. The penalty payment was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. On July 29, 2018, Profit Well Limited agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate Profit Well with 100,000 shares of restricted common stock valued at $12,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.
On January 18, 2020, this Bridge Note was transferred to and assumed by Beijing Gas Blue Sky Holdings Limited pursuant to a Deed of Novation and Assignment (Novation) with the Company of the same date. For more information on the details of the Novation, please see footnote (3) on Note 7 below.

(2) On September 29, 2017, the Company issued to an unaffiliated investor a promissory note and three tranches of warrants for an aggregate consideration of $250,000. The Note recites that it accrues no interest if paid when due and is due and payable on January 2, 2018. If principal is not paid on or before maturity, interest will accrue at the rate of 15% per year until paid. On November 6, 2017, the Company agreed to compensate the investor with 75,000 shares of the Company's restricted common stock in connection with a more favorable term of a note entered into with FirstFire Global Opportunities Fund, LLC ("FirstFire"). On December 30, 2017, the Company and the investor agreed to extend the maturity date of this Note to January 23, 2018, in return for a payment at maturity of the principal, accrued interest as provided in the Note, plus 30,000 shares of the Company's restricted common stock. Because the fair value of the shares was greater than 10% of the present value of the remaining cash flows under the Note, the issuance of the shares in connection with a more favorable term of a note entered with FirstFire was treated as a debt extinguishment and reissuance of a new debt instrument pursuant to the guidance of ASC 470-50.

Since January 23, 2018, the Company and the investor have been in ongoing discussions to extend the term of this Note. On March 28, 2018, the investor acknowledged that the Company is not in default regarding this Note and reaffirmed its belief that the Company will either extend the Note's due date or repay its obligation on terms that are mutually satisfactory. The warrants have the following terms:

- 375,000 warrants to purchase 375,000 shares of common stock of the Company at a strike price of $0.665 per share expiring on September 29, 2019;

- 375,000 warrants to purchase 375,000 shares of common stock of the Company at a strike price of $1.25 per share expiring on September 29, 2020; and

- 185,000 warrants to purchase 185,000 shares of common stock of the Company at a strike price of $2.00 per share expiring on September 29, 2020.

The aggregate relative fair value of three tranches of warrants was determined to be $105,000 on September 29, 2017, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 94%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2-3 years. $2,536 imputed interest was recorded as debt discount. $2,536 was determined using the present value method based on the following assumptions: (i) adjusted interest rate 4% (ii) expected life of 0.26 year. The aggregate value of the warrants and imputed interest of

$107,536 was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. As of June 30, 2021, $250,000 of principal was outstanding under the Note.

Each tranche of warrants is subject to down round adjustment provisions if the Company during the term of that tranche issues additional securities for consideration per share, after giving effect to fees, commission and expenses, that is less, or which on conversion or exercise of the underlying security is less, than $0.665 per share (as adjusted for any change resulting from forward or reverse splits, stock dividends and similar events).

To satisfy most favored nation provisions in previously entered securities purchase agreements that are triggered by the transaction described above, the Company issued 136,015 shares of common stock and warrants to purchase 136,015 shares of common stock, in the aggregate, to certain investors who purchased units from the Company, at a $1.00 per unit, with each unit consisting of one share and one warrant. See the Company's Current Report on the Form 8-K filed with the SEC on June 5, 2017. Of this amount, 100,752 shares and warrants to purchase 100,752 shares of common stock will be issued to Wilshire Energy Partners LLC, an entity controlled by Kevin J. Sylla, our Executive Chairman and Chief Executive Officer of FPI. The exercise price of these investor warrants was adjusted to $0.665 per share. We measured the value of the effect of the down round feature as the difference between the fair value of the financial instrument at an original exercise price of $1.50 and an adjusted exercise price of $0.665 and, as a result, $59,801 was recorded as down round feature as interest expense under ASC 260-10-30-1. Foothills determined the amount of $59,801 using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 94%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 3 years.

(3) A promissory note was issued on November 1, 2017, for services rendered, bearing an interest rate of 12% per annum and with a maturity date of June 30, 2018. On August 22, 2018, the Note Holder agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. As partial consideration for the deferment, the Company agreed to issue the Note Holder 60,000 shares of its restricted common stock. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. During the year ended December 31, 2020, $5,000 of this note was paid. On April 09, 2021, the company paid $5,000 in cash settlement. As of June 30, 2021 $110,629 of this note was still outstanding.

(4) On July 19, 2018, the Company borrowed $38,000 from an unaffiliated investor with an original discount of $3,207. The Note recites that it accrues no interest if paid when due and is due and payable on August 6, 2018. If principal is not paid on or before maturity, August 6, 2018. interest will accrue at the rate of 10% per year until paid. In connection with the issuance of this note, the Company issued 300,000 shares for late SEC filing, valued at $36,000. $74 imputed interest was recorded as debt discount. $74 was determined using the present value method based on the following assumptions: (i) adjusted interest rate 4% (ii) expected life of 0.05 year. The relative aggregate value of the shares and imputed interest was determined to be $32,793 using the allocation of proceeds, $32,793 was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. Pursuant to this Note, the investor shall be assigned an undivided two percent (2%) overriding royalty of all oil, gas, and other minerals and hydrocarbons produced, saved, and sold from each well now or hereinafter located on certain leases and wells owned by the Company. On August 23, 2018, the lender agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate the lender with 15,000 shares of restricted common stock valued at $1,950. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. At June 30, 2021, $38,000 of principal was outstanding under the Note.

(5) On September 14, 2018, the Company borrowed $100,000 from an unaffiliated investor, bearing an interest rate of 9% per annum and with a maturity date of December 15, 2018. In connection with the issuance of this note, the Company issued 250,000 shares of its common stock, valued at $22,500, which was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note. At June 30, 2021, $100,000 of principal was outstanding under the Note.

(6) On October 22, 2018, the Company issued a term sheet to an unaffiliated investor for a promissory note in the principal amount of $50,000 with a Volumetric Production Payment ("VPP") equal to 1,250 barrels of oil equivalent ("BOE"). The Note has a maturity date of October 22, 2019, with the principal and accrued unpaid interest due in full at Maturity. VPP will be made after deduction of 20% royalties due to mineral owners, paid within the term on the Note and at the discretion of the Company as to amount and volume; *provided, however,* that the VPP for any month shall not be less than 5% of

the month's total crude oil sales. Payment may be made "in-kind" at the election of the Investor. If election is made by Investor to be paid "in-kind," then Investor shall bear responsibility for paying mineral owner royalties due on said "in-kind" payments. All VPP's to be made from the production of the Company's operating subsidiaries, Foothills Exploration Operating, Inc. and Tiger Energy Operating, LLC, from the well bores of the Company's Duck Creek wells, subject to the terms of the Leases covering such wells. Such VPP will continue until paid in full, regardless of payment in full of the Note and shall be secured by the assets. In the event that the West Texas Intermediate (WTI) crude oil market price closes below USD $40.00 per barrel for 10 consecutive trading days, the Investor shall be allocated a revised VPP equal to 2 times the remaining VPP barrels left over at that time.

Pursuant to this Note, the investor shall be assigned an un undivided one-half percent (0.5%) overriding royalty interest ("ORRI") in all oil, gas and other minerals produced, saved, and marketed from each well now or hereinafter located on wells owned by the Company, subject to the terms of the Leases covering such wells. Upon any default in payment of principal hereunder, the Company shall pay interest on the principal balance of this Note then outstanding and on the accrued but unpaid interest from the date of such default until such default is cured and the Note paid in full at the rate of Fifteen Percent (15%). The Company agreed to issue the investor 200,000 shares of the Company's restricted common stock as additional consideration for entering into the Note with the Company, valued at $16,000, which was considered as debt discount upon issuance and will be amortized as interest over the term of the Note or in full upon the conversion of the Note.

Pursuant to this Note, Investor has the right to participate in any future offering by the Company for a period of twelve (12) months for an amount equal to the principal amount detailed in the Term Sheet. So long as the Note is outstanding, if the Company enters into a subsequent financing with another individual or entity (a third party) on terms that are more favorable to that third party, the agreements between the Company and the investor shall be amended to include such better terms. As of June 30, 2021, $50,000 of principal was outstanding under the Note.

(7) On February 5, 2019, the Company borrowed $209,525 from an unaffiliated investor with an original discount of $33,524. The Note has a maturity date of February 5, 2020 and bears 10% interest. The Company failed to pay $71,000 principal payment, which was due on March 15, 2019. As the result, we incurred $100,000 penalty and interest were increased to 15%. As of June 30, 2021, $209,525 of principal was outstanding under the Note.

(8) On January 17, 2020, the Company borrowed $220,000 from an unaffiliated investor with an original discount of $20,000. The Note has a maturity date of April 17, 2020 and bears 12.5% interest. As of June 30, 2021, $220,000 of principal was outstanding under the Note.

(9) On August 4, 2020, the Company closed on a bridge note transaction with an unaffiliated third party for a 0% interest short-term bridge note (the "Bridge Note") in the principal amount of $130,405, bearing a 10% original issue discount, netting the Company proceeds of $118,550. Terms of the agreement include a personal guaranty signed by the Company's Executive Chairman. As of June 30, 2021, the $130,405 of principal was still outstanding under the Note.

During the six months ended June 30, 2021 and 2020, we incurred $31,922 and $172,991 of interest expense, respectively.

Note 7 – Notes Payable - Related Party

	June 30, 2021	December 31, 2020
13.5% unsecured note payable due June 30, 2018 (1)	$ –	$ 1,250,000
10% unsecured note payable due December 31, 2018 (2)	6,000,000	6,000,000
13.5% unsecured note payable due December 31,2023 (3)	5,476,505	140,000
Less: unamortized discount	–	–
Total debt	11,476,505	7,390,000
Less: current maturities	11,476,505	7,390,000
Long-term debt, net of current maturities	$ –	$ –

(1)Effective January 5, 2017, Foothills borrowed $1,250,000 from Berwin Trading Limited that, due to its 20% beneficial ownership in the Company, is a related party. This note called for interest at 9% per annum; but because it was not paid when due interest was to be accrued at a default rate of 11% from the due date of the note. The Company used net proceeds of this loan to satisfy certain obligations under a Purchase and Sale Agreement with Total Belief Limited, dated December 30, 2016, for general working capital and to support certain target drilling activities. On January 18, 2020, this debenture was transferred to and assumed by Beijing Gas Blue Sky Holdings Limited pursuant to a Deed of Novation and Assignment (Novation) with the Company of the same date. For more information on the details of the Novation, please see footnote (3) below.

On May 4, 2017, the Company and Berwin agreed to extend the maturity date of the debenture to June 20, 2017, in return for an annual interest rate increase from 9% to 13.5% per annum for the life of the debenture. On November 3, 2017, Berwin agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture. As partial consideration for the deferment, the Company issued Berwin 100,000 shares of its restricted common stock, valued at $48,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. On February 28, 2018, Berwin and the Company agreed to extend the maturity date of the debenture to June 30, 2018, and as consideration for the extension, the Company agreed to compensate Berwin with 250,000 shares of restricted common stock valued at $58,375. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. In addition, the parties agreed that if payment of said principal and interest due and payable is made late, then a penalty payment of $125,000 shall become due and payable to Berwin by the Company. On June 30, 2018, we recorded $125,000 penalty as additional interest payable. The penalty payment was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. The Company and Berwin are in ongoing discussions to extend the term of this Note and the Company believes it will either extend, rework or repay the obligation to the satisfaction of Berwin. On July 29, 2018, Berwin agreed to defer repayment of this note to a later date and acknowledged that the Company is not in default regarding this Debenture, and as consideration for the extension, the Company agreed to compensate Berwin with 100,000 shares of restricted common stock valued at $12,000. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50.

(2) On December 30, 2016, in connection with the TBL acquisition, Foothills entered into a promissory note in the amount of $6,000,000. This note bears no interest during its term. The Company calculated and recorded $342,804 of imputed interest as debt discount. Starting from July 1, 2018, the note bears 10% annual interest.

(3) On January 18, 2020, the Company entered into a Deed of Novation and Assignment (Novation) with Beijing Gas Blue Sky Holdings Limited (BGBS) in the amount of $5,476,505 (Novation Amount), wherein BGBS assumed the Company's debenture with Berwin Trading Limited (Berwin) in the principal amount of $1,250,000 and the Company's bridge note with Profit Well Limited (Profit Well) in the principal amount of $1,050,000, plus all accrued unpaid interest and default interest due and payable under both agreements. As part of the Novation, Berwin and Profit Well assigned their respective debenture and bridge note and transferred all their respective rights, title, and interests pursuant thereto to BGBS. In November and December 2019, BGBS also provided two bridge loans to an indirect subsidiary of the Company for the combined total of $140,000, which sum was also included in the Novation Amount. The new maturity date pursuant to the Novation for the combined total balance of $5,476,505 is December 31, 2023, and the new note created therein bears interest at 13.5% per annum accruing from the date of the Novation. Pursuant to the Novation, the Company agreed to make a principal payment of $500,000 on December 31, 2020 and another principal payment of $500,000 on December 31, 2021. The Company also agreed to make quarterly interest payments in the approximate amount of $184,832 with the first such interest payment due on January 20, 2022. All sums due pursuant to the Novation are secured and collateralized by a security interest in the Company's Ute Tribal North properties.

During the six months ended June 30, 2021 and 2020, the Company incurred $333,915 and $25,484 of interest expense, respectively.

Note 8 – Convertible Note Payable

	June 30, 2021	December 31, 2020
10% convertible note payable due May 10, 2018 (1)	$ 50,000	$ 50,000
13.5% convertible note payable due February 11, 2020 (2)	44,000	44,000
12% convertible note payable due May 1, 2019 (3)	–	1,011
10% convertible note payable due September 1, 2019 (4)	357,407	632,406

12% convertible note payable due September 6, 2019 (5)	236,893	380,000
10% convertible note payable due December 19, 2019 (6)	–	38,150
12% convertible note payable due March 20, 2020 (7)	–	29,190
12% convertible note payable due May 15, 2020 (8)	–	127,750
10% convertible note payable due May 29, 2020 (9)	–	42,421
12% convertible note payable due May 31, 2020 (10)	–	71,405
10% convertible note payable due May 31, 2020 (11)	–	45,315
8% convertible note payable due June 4, 2020 (12)	–	35,449
12% convertible note payable due June 19, 2020 (13)	–	1,530
12% convertible note payable due July 11, 2020 (14)	–	236,250
12% convertible note payable due July 17, 2020 (15)	–	78,000
10% convertible note payable due July 23, 2020 (16)	–	107,201
12% convertible note payable due September 19, 2020 (17)	–	106,650
12% convertible note payable due March 18, 2022 (18)	502,000	–
12% convertible note payable due April 05, 2022 (19)	355,000	–
16% convertible note payable due April 16, 2022 (20)	700,000	–
12% convertible note payable due May 18, 2022 (21)	555,000	–
16% convertible note payable due May 28, 2022 (22)	485,000	–
16% convertible note payable due June 25, 2022 (23)	700,000	–
Less: unamortized debt discount on convertible notes	(280,623)	–
Total debt	3,704,677	2,026,728
Less: current maturities	3,704,677	2,026,728
Long-term debt, net of current maturities	$ –	$ –

(1) On May 10, 2017, we entered into a convertible note agreement with an unrelated party, pursuant to which we borrowed $50,000 at an annual percentage rate of 10% with a term of 12 months, which is due on May 10, 2018. This note may, at the option of the lender, be converted at any time prior to May 10, 2018, into fully paid, restricted and non-assessable shares of common stock of the Company at a price equal to 100% of the selling price of such common stock in a private placement to institutional and/or accredited investors initiated by the Company during the term of this convertible note until May 10, 2018. On November 7, 2017, the Company issued 50,000 warrants to purchase 50,000 shares of common stock of the Company at a strike price of $1.00 per share expiring on May 7, 2019. If the Company fails to pay the principal and accrued unpaid interest due and payable to Lender on or before the due date of the convertible note, then the Lender shall be provided the right to convert at either $0.665 per share or upon the same terms offered in FirstFire Global Opportunities Fund, LLC Note's conversion options. The relative fair value of warrant was determined to be $3,381 on November 7, 2017, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 77%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 years. The issuance of the warrants in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. On September 17, 2018, the note holder agreed to defer repayment of this note to December 15, 2018, the Company agreed to compensate the note holder with 50,000 shares of restricted common stock valued at $4,500. On April 4, 2019, note holder confirmed that the Company is not in default with respect to this note. The issuance of the shares in exchange for the maturity extension was treated as a modification of existing debt pursuant to the guidance of ASC 470-50. As of June 30, 2021, the note is past due, but not in default, and has outstanding balance of $50,000.

(2) On August 11, 2018, the Company borrowed $44,000 from an unaffiliated investor, bearing an interest rate of 12.5% per annum and with a maturity date of February 11, 2020. As part of this transaction the Company also issued (i) warrants having a 24-month term, to purchase 100,000 shares of the Company's common stock at an exercise price of $0.665 per share and (ii) 44,000 shares of the Company's restricted common stock. The Note agreements give the lender the right to convert the loan amounts due into common stock at a fixed conversion price of $0.20. The aggregate relative fair value of the warrant was determined to be $9,035 on August 11, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 221%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2 year. Fair value of 44,000 shares of common stock was determined to be $5,280 using market price. The aggregate value of the warrant and 44,000 shares of common stock of $14,315 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2020, the Company amortized the $1,095 of such discount to interest

expense. As of June 30, 2021, unamortized debt discount was $0 and $44,000 of principal was outstanding under the Note.

(3) On November 1, 2018, the Company entered into a loan transaction with an unaffiliated investor (“Holder”), which funded and closed on November 5, 2018. The Company issued the lender a convertible promissory note (“Note”) dated November 1, 2018, in the principal amount of $380,000 with an original issue discount of 10% and received proceeds of $342,000, before giving effect to certain transactional costs including legal fees on November 5, 2018. As part of this transaction the Company also issued (i) 650,000 shares of the Company’s restricted common stock and two tranches of warrants : (ii) tranche 1 are warrants having a 5-year term to purchase 687,500 shares of the Company’s restricted common stock at an exercise price of $0.20 per share with cashless exercise option and (ii) tranche 2 are warrants having a 5-year term to purchase 2,062,500 shares of the Company’s restricted common stock at an exercise price of $0.20 per share with cashless exercise option. Tranche 2 warrants may be redeemed by the Company for $20,000 (“Call Payment”) beginning on the date of issuance, November 1, 2018, and ending on the date which is 180 calendar days following the issuance date (the “Call”). If Company exercises the Call, then the Company shall make the Call Payment to the Holder within five business days of the date that the Company exercises the Call. If the Call Payment is not made within the required time frame, then the Company will lose its right to exercise the Call for the tranche 2 warrants.

The Note accrues interest at 12% per year and is due and payable on May 1, 2019 (“Maturity Date”). The Company may prepay the Note without prepayment penalty if prepaid during the first 180 days following issuance date. No prepayment is permitted after the initial 180 days from issuance. The Note agreements give the lender the right to convert the loan amounts due into common stock at a conversion price equal to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading day period ending on the latest complete trading day prior to the date of this Note and (ii) 50% multiplied by the twenty (20) trading day period ending on the latest complete trading day prior to the conversion date.

The aggregate relative fair value of the warrant was determined to be $89,908 on November 1, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 226%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5.0 year. Fair value of 650,000 shares of common stock was determined to be $53,300 using allocation of proceeds. The Company accounted for the conversion feature, which was recorded as a derivative valued at $558,923, of which $364,131 was expensed immediately to interest expense. $194,792 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 226%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The aggregate value of the original debt discount, warrant, conversion feature and 650,000 shares of common stock of $380,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2019, we paid $350,000. During the year ended December 31, 2020, $28,989 of this note was converted to common stock. During the six months ended June 30, 2021, the remaining balance of the note was converted into common stock.

(4) On March 4, 2019, the Company closed on a loan transaction with FirstFire Global Opportunities Fund, LLC, (“FirstFire”) pursuant to which the Company issued FirstFire a senior secured convertible promissory note (“FirstFire Note”) in the principal amount of $705,882, and received proceeds of $592,500, with original discount of $113,382. As part of this transaction the Company issued (i) warrants having an 18-month term, to purchase 1,125,000 shares of the Company’s common stock at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of Common Stock (upon conversion, exercise or otherwise) (including but not limited to under the FirstFire Note), at an effective price per share less than the then Exercise Price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) $0.50 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the exercise price upon issuance.

The FirstFire Note accrues interest of 10% per annum, and matured on September 1, 2019, which is the date upon which the principal sum, the original issue discount, as well as any accrued and unpaid interest and other fees, shall be due and payable. The Company agreed to make payments of $20,000 per month pursuant to a cash management agreement as described in the note agreements. The FirstFire Note is collateralized by the GRB Assets, which principally are being acquired by the Company with the net proceeds of this Note.

FirstFire has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of this Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) $0.50 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The aggregate relative fair value of the warrant was determined to be $3,553,635 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year. The fair value of the warrant of $273,735 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the FirstFire Note or in full upon the conversion of the FirstFire Note. The conversion feature was recorded as a derivative valued at $4,135,070, of which $3,816,305 was expensed immediately to interest expense. $4,135,070 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The fair value of the conversion feature of $318,765 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the FirstFire Note or in full upon the conversion of the FirstFire Note. During the year ended December 31, 2020, $23,475 of the note was converted into common stock and $25,000 was paid in cash. On March 19, 2021 the Company paid $75,000 in cash. During the six months ended June 30, 2021, the Company settled $200,000 of the note. As of June 30, 2021, $357,407 was still outstanding. The note is past due, but not in default.

(5)On March 6, 2019, the Company closed on a loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated March 6, 2019, in the principal amount of $380,000, with an original issue discount of 10% and received proceeds of $338,000, with original discount of $42,000 including legal fees (the "Labrys Note"). The Company utilized proceeds in part to pay (i) $110,000 to Labrys as partial repayment of a convertible promissory note issued on November 1, 2018 and (ii) $40,000 to the Company's auditor. As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 608,000 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date.

The Labrys Note accrues interest at 12% per year and was due and payable on September 6, 2019. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at the conversion price which equal the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. On March 31, 2021, $24,841 of this note was converted into common shares. During the six months ended June 30, 2021, $118,265 of the principal note was converted to common stock. As of June 30, 2021, the note has $236,894 is still outstanding. As of June 30, 2021, is past due, but not in default.

The aggregate relative fair value of the warrant was determined to be $2,306,364 on March 6, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $158,860 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $2,599,866, of which $179,140 was expensed immediately to interest expense. $2,599,866 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.50 year. The fair value of the conversion feature of $179,140 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Labrys Note or in full upon the conversion of the Labrys Note.

(6) On March 19, 2019, the Company entered into a securities purchase agreement (the “JSC SPA”) with Jefferson Street Capital, LLC, an unaffiliated investor (“JSC”), pursuant to which the Company issued and sold to JSC a convertible promissory note (the “JSC Note”) in the principal amount of $52,250 (the “JSC Principal”). The foregoing transaction closed on March 28, 2019 and the Company received $40,000, with original discount of $12,250. As part of this transaction the Company also issued JSC warrants having an 18-month term to purchase 83,078 shares of the Company’s restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the JSC Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the JSC Note or (ii) 60% multiplied by the market price.

The JSC Note accrues interest at 10% per year and carries an original issue discount of $4,750. The maturity date for the JSC Note is December 19, 2019, at which time the JSC principal, and any accrued but unpaid interest, is due and payable. JSC may convert after the 180th calendar day after the issue date of the JSC Note, all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the JSC Note due into shares of common stock of the Company at the conversion price that is equal to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of the JSC Note or (ii) 60% multiplied by the market price. During the three months ended March 31, 2020, $11,600 of the note was converted into common stock. During the year ended December 31, 2020, $14,100 of the note was converted into common stock. During the six months ended June 30, 2021, $32,000 of the principal note was converted to common stock, and the remaining balance of $6,150 was settled in cash.

The aggregate relative fair value of the warrant was determined to be $296,143 on March 19, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year. The fair value of the warrant of $18,160 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $356,844, of which $335,004 was expensed immediately to interest expense. $356,844 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.75 year. The fair value of the conversion feature of $21,840 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the JSC Note or in full upon the conversion of the JSC Note.

(7) On March 20, 2019, the Company, entered into Amendment #1 to the Securities Purchase Agreement dated December 6, 2018, with Crown Bridge Partners, LLC, an unaffiliated investor (“Holder”) pursuant to which the Company closed on March 28, 2019 a second tranche under the Note, dated December 6, 2017, with a face value of $40,018 (the “Second Tranche” of the “Note”). The Company received $35,000 with original discount of $5,018 including legal fees. The Note carries an original issue discount of $12,000 (the “OID”) to face value prorated to each tranche, to cover the Holder’s transaction related costs incurred in connection with the negotiation, purchase and sale of the note. Each tranche of the note funded accrues interest at a rate of 12% per year. The principal amount of each respective tranche, as well as any accrued and unpaid interest and other fees relating to that respective tranche, is due and payable twelve (12) months from the date on which each respective tranche is delivered to the Company. The Company may not prepay any amount

outstanding under each tranche of this Note after the 180th calendar day after the issuance of the respective tranche received pursuant to the Note. As part of this transaction the Company also issued warrants having a 5-year term to purchase 80,036 shares of the Company's restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion. During the three months ended March 31, 2020, $6,130 of this note was converted into common shares. During the year ended December 31, 2020, $6,130 of this note was converted to common stock. During the six months ended June 30, 2021, the remaining $29,190 of the principal note was converted to common stock.

The Holder may convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Note due into shares of common stock of the Company at the conversion price that is equal to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion.

The aggregate relative fair value of the warrant was determined to be $106,534 on March 20, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $18,480 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $95,370, of which $78,850 was expensed immediately to interest expense. $16,520 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $21,840 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

(8) On May 15, 2019, the Company closed on a loan transaction with Odyssey Capital Funding, LLC ("Odyssey"), pursuant to which the Company issued Odyssey a convertible redeemable promissory note ("Odyssey Note") in the principal amount of $131,250, and received proceeds of $125,000, before giving effect to certain transactional costs. The Odyssey Note accrues interest of 12% per annum and matured on May 15, 2020.

Odyssey is entitled, at its option, at any time after the 180th daily anniversary of the Odyssey Note, to convert all or any amount of the principal face amount of the Odyssey Note then outstanding into shares of the Company's common stock at a price for each share of common stock equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received by the Company.

The conversion feature was recorded as a derivative valued at $230,389, of which $105,389 was expensed immediately to interest expense. $230,389 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 254%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $125,000 and original debt discount of $6,250 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Odyssey Note or in full upon the conversion of the Odyssey Note. On February 10, 2021, $14,900 of this note was converted into common stock. As of June 30, 2021, $24,500 of the note was converted to common stock, and the $32,970 was settled in cash. As of June 30, 2021 the note was fully settled.

(9) On May 29, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $57,000 and received proceeds of $55,000 with an original issue discount of $2,000 (the "Note"). The Note accrues interest of 10% per annum and matured on May 29, 2020.

The conversion feature was recorded as a derivative valued at $88,261, of which $33,261 was expensed immediately to interest expense. $88,261 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $55,000 and original debt discount of $2,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note.

The exercise price of this Note was adjusted to 75% of the conversion price of the GW Note dated May 31, 2019. We measured the value of the effect of the down round feature as the difference between the fair value of the financial instrument at an original exercise price and an adjusted exercise price and, as a result, $45,638 was recorded as down round feature as interest expense under ASC 260-10-30-1. Foothills determined the amount of $45,638 using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 3 years. During the year ended December 31, 2020, $14,579 of this note was converted into common shares. During the six months ended June 30, 2021, $42,421 of the principal note was converted to common stock. As of June 30, 2021, the note has zero balance.

(10)On May 31, 2019, the Company closed on a convertible loan transaction with GW Holdings Group, LLC ("GW") in the principal amount of $86,625 with an original issue discount of $11,625, before giving effect to certain transactional costs including legal fees yielding a net of $75,000 (the "Note"). The maturity date for this Note is May 31, 2020 ("Maturity Date").

GW is entitled, at its option, at any time after the 180th daily anniversary of the Note, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock at a price equal to 50% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

As part of this transaction the Company also issued warrants having a five-year term to purchase 160,000 shares of the Company's restricted common stock at an exercise price of $0.50 per share with a cashless exercise feature.

The aggregate relative fair value of the warrants was determined to be $159,495 on May 31, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $38,775 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. The conversion feature was recorded as a derivative valued at $148,885, of which $112,660 was expensed immediately to interest expense. $148,885 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $36,225 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2020, $11,670 of this note was converted into common stock. During the six months ended June 30, 2021, $38,435 of the principal note was converted to common stock and $32,970 was settle in cash. As of June 30, 2021, the note has $0 outstanding balance.

(11)On May 31, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $60,000 and received proceeds of $50,000 with an original issue discount of $10,000 (the "Note"). This Note accrues interest of 10% per annum and matured on May 31, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty-five (25) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $92,904, of which $42,904 was expensed immediately to interest expense. $92,904 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $50,000 and original debt discount of $10,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2020, $11,085 of this note was converted into common shares. During the six months ended June 30, 2021, $45,315 in principal was settled in cash.

(12)On June 4, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $46,200 and received proceeds of $40,000 with an original issue discount of $6,200 (the "Note"). This Note accrues interest of 8% per annum and matured on June 4, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 60% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $73,627, of which $33,627 was expensed immediately to interest expense. $73,627 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $40,000 and original debt discount of $6,200 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2020, $10,751 of this note was converted into common shares. During the six months ended June 30, 2021, $35,449 of the note was settled in cash. As of June 30, 2021, the note has $0 outstanding balance.

(13) On June 19, 2019, the Company closed on a convertible loan transaction with an unaffiliated lending entity ("Holder") in the principal amount of $113,000, before giving effect to certain transactional costs including legal fees yielding a net of $113,000 (the "Note"). The maturity date for this Note is June 17, 2020.

The Holder is entitled, at its option, at any time after the 180th daily anniversary of the Note, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock at a price for each share of common stock equal to 61% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $274,884, of which $164,884 was expensed immediately to interest expense. $274,884 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 274%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $110,000 and original debt discount of $3,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2020, $111,470 of this note was converted into common shares. As of March 31, 2021, the remaining $1,530 principal was retired. As of June 30, 2021, $0 in principal is outstanding under this note.

(14) On July 11, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $236,250 and received proceeds of $225,000 with an original issue discount of $11, 250 (the "Note"). This Note accrues interest of 12% per annum and matured on July 11, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $367,966, of which $142,966 was expensed immediately to interest expense. $367,966 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 257%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $225,000 and original debt discount of $11,250 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the six months ended June 30, 2021, $236,250 of the note was settled in cash. As of June 30, 2021, $0 of this note is still outstanding.

(15) On July 17, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $78,000 and received proceeds of $75,000 with an original issue discount of $3,000 (the "Note"). This Note accrues interest of 12% per annum and matured on July 17, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 61% of the lowest trading price of the common stock for the twenty (20) prior trading days excluding the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $154,168, of which $79,168 was expensed immediately to interest expense. $154,168 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 254%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $75,000 and original debt discount of $3,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the six months ended June 30, 2021, $78,000 of the note was retired. As of June 30, 2021, the remaining $0 outstanding balance was retired.

(16) On July 23, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $110,000 and received proceeds of $95,000 with an original issue discount of $15,000 (the "Note"). This Note accrues interest of 10% per annum and matured on July 23, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $242,351, of which $147,351 was expensed immediately to interest expense. $242,351 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 251%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $95,000 and original debt discount of $15,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the year ended December 31, 2020, $2,799 of this note was converted into common shares. During the six months ended June 30, 2021, $107,201 of the note was settled in cash. As of June 30, 2021, $0 in principal is outstanding under this note.

(17) On September 19, 2019, the Company closed on a convertible loan transaction with third party in the principal amount of $115,000 and received proceeds of $110,000 with an original issue discount of $5,000 (the "Note"). This Note accrues interest of 12% per annum and matured on September 19, 2020. This Note is convertible into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock for the twenty (20) prior trading days including the day upon which a notice of conversion is received.

The conversion feature was recorded as a derivative valued at $179,617, of which $69,617 was expensed immediately to interest expense. $179,617 was determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 249%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1 year. The fair value of the conversion feature of $110,000 and original debt discount of $5,000 was considered as debt discount upon issuance and is being amortized to interest expense over the term of the Note or in full upon the conversion of the Note. During the six months ended June 30, 2021, $106,650 of the note was settled in cash. As of June 30, 2021, $0 in principal is outstanding under this note.

(18) On March 18, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated March 18, 2019, in the principal amount of $535,000, with an original issue discount of 10% and received proceeds of $481,500, with original discount of $53,500 including legal fees (the "Labrys Note"). The Company utilized proceeds of $275,000 to retire and settle its two (2) outstanding convertible promissory notes with Power Up Lending Group, Ltd.: (i) a 12% convertible promissory note dated June 17, 2019 in the principal amount of $113,000 and (ii) a 12% convertible promissory note dated July 17, 2019 in the principal amount of $78,000. The Company also paid $75,000 to Firstfire Global Opportunities Fund, LLC ("Firstfire"), as the first of six installment payments pursuant to a settlement and release agreement executed with Firstfire on March 15, 2021. The Company also paid approximately $33,000 for the delay rental payments on the Company's Wind River Basin leases. Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0055 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 116,304,347 shares of the Company's restricted common stock, at a fixed exercise price of $0.0046 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on March 18, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities. As of June 30, 2021, the note has $502,000 outstanding balance.

(19) On April 5, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated April 5, 2021, in the principal amount of $355,000, with an original issue discount of 10% and received proceeds of $319,500, with original discount of $35,500 including legal fees (the "Labrys Note"). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0055 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 42,771,084 shares of the Company's restricted common stock, at a fixed exercise price of $0.0083 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on April 5, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(20) On April 16, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated April 16, 2021, in the principal amount of $700,000, with an original issue discount of 10% and received proceeds of $630,000, with original discount of $70,000 including legal fees (the "Labrys Note"). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.004 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 175,000,000 shares of the Company's restricted common stock, at a fixed exercise price of $0.004 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on April 16, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(21) On May 18, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated May 18, 2021, in the principal amount of $555,000, with an original issue discount of 10% and received proceeds of $499,500, with original discount of $55,500 including legal fees (the "Labrys Note"). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0017 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 296,791,443 shares of the Company's restricted common stock, at a fixed exercise price of $0.00187 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on May 18, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(22) On May 28, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated May 28, 2021, in the principal amount of $485,000, with an original issue discount of 10% and received proceeds of $436,500, with original discount of $48,500 including legal fees (the "Labrys Note"). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0012 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 367,424,242 shares of the Company's restricted common stock, at a fixed exercise price of $0.00132 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on May 28, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

(23) On June 25, 2021, the Company closed on a fixed-rate convertible loan transaction with Labrys Fund, L.P., a Delaware limited partnership, ("Labrys"), pursuant to which, the Company issued a convertible promissory note dated June 25, 2021, in the principal amount of $700,000, with an original issue discount of 10% and received proceeds of $630,000, with original discount of $70,000 including legal fees (the "Labrys Note"). Labrys has the right to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest of the Labrys Note due into fully paid and non-assessable shares of common stock at a fixed conversion price equal to $0.0021 per share.

As part of this transaction the Company also issued Labrys warrants having a five-year term to purchase 303,030,303 shares of the Company's restricted common stock, at a fixed exercise price of $0.00231 per share, with a cashless exercise feature. The exercise price is subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Labrys Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price.

The Labrys Note accrues interest at 12% per year and is due and payable on June 25, 2022. The Company may prepay the Labrys Note without prepayment penalty if prepaid during the first 180 days following issuance date. The default interest rate on the Labrys Note is 16% per year. No prepayment is permitted after the initial 180 days from issuance. The warrants are subject to adjustment in certain events such as forward or reverse stock splits or if subsequent financings are at terms that are more favorable to persons in subsequent issuances of securities.

During the three months ended June 30, 2021 and 2020, the Company incurred $138,651 and $605,064 of interest expense, respectively, including amortization of discount of $47,096 and $483,505, respectively. As of June 30, 2021 and 2020, the unamortized discount was $280,623 and $43,087, respectively.

The following table reconciles, for the six months ended June 30, 2021 and year ended December 31, 2020, the beginning and ending balances for financial instruments that are recognized at fair value in the consolidated financial statements:

	June 30, 2021	December 31, 2020
Balance of embedded derivative beginning of period	$ 6,328,310	$ 15,191,362
Additions related to embedded conversion features of convertible debt issued	3,356,958	–
Change in fair value of conversion features	6,511,186	(8,125,338)
Reductions in fair value due to principal repayments and conversion	(10,343,939)	(737,714)
Balance of embedded derivatives end of period	$ 5,852,515	$ 6,328,310

Derivative liabilities were determined using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 332.80 – 413.80%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 0.00 – 0.99 year.

Note 9 – Common Stock

During the six months ended June 30, 2021, the Company issued 769,546,311 shares to various debt holders for the conversion of principal notes payable, 78,621,083 shares for the conversion of accrued interest on notes payable, 287,597,201 shares for the conversion of default interest, and 1,632,275 for financing charges related to notes payable.

During the six months ended June 30, 2021, the Company issued 2,439,421,351 shares for cashless warrant exercise.

As of June 30, 2021, the company had 4,991,037,334 shares issued and outstanding.

During the six months ended June 30, 2020, the Company issued 878,628,794 shares to various debt holders for the conversion of principal notes payable, 30,497,424 shares for the conversion of accrued interest on notes payable, and 46,120,964 for financing charges related to notes payable.

During the six months ended June 30, 2020, the Company issued 61,948,069 shares for cashless warrant exercise.

As of June 30, 2020, the company had 1,117,888,772 shares issued and outstanding.

Warrants

On August 11, 2018, the Company issued an unaffiliated investor warrants to purchase 100,000 shares of common stock at a strike price of $0.665 per share expiring in 24 months, in connection with a convertible promissory note in the principal amount of $44,000. The aggregate relative fair value of the warrant was determined to be $9,035 on August 11, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 221%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 2 year.

On November 1, 2018, the Company issued an unaffiliated investor two tranches of warrants in connection with a convertible promissory note in the principal amount of $380,000. (i) tranche 1 are warrants having a 5-year term to purchase 687,500 shares of the Company's restricted common stock at an exercise price of $0.20 per share with cashless exercise option and (ii) tranche 2 are warrants having a 5-year term to purchase 2,062,500 shares of the Company's restricted common stock at an exercise price of $0.20 per share with cashless exercise option. Tranche 2 warrants may be redeemed by the Company for $20,000 ("Call Payment") beginning on the date of issuance, November 1, 2018, and ending on the date which is 180 calendar days following the issuance date (the "Call"). The aggregate relative fair value of the warrant was determined to be $89,908 on November 1, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 226%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5.0 year. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to March 4, 2019, which is $0.025. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. The fair value of the warrant was determined to be $3,421,241 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 4.7 year. The same was considered as deemed dividend.

On December 6, 2018, the Company issued an unaffiliated investor warrants to purchase 227,500 shares of common stock at a strike price of $0.20 per share expiring in 5 years, in connection with a convertible promissory note in the principal amount of $45,500. The relative fair value of the warrant was determined to be $7,880 on December 6, 2018, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 225%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5.0 year. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to March 4, 2019, which is $0.025. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. The fair value of the warrant was determined to be $299,594 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 4.8 year. The same was considered as deemed dividend.

On March 4, 2019, the Company issued warrants having an 18-month term, to purchase 1,125,000 shares of the Company's common stock at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) $0.5 or (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the exercise price upon issuance. The fair value of the warrant was determined to be $3,553,635 on March 4, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year.

On March 6, 2019, the Company issued Labrys warrants having a five-year term to purchase 608,000 shares of the Company’s restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the issuance date. (ii) 50% multiplied by the lowest trading price during the previous twenty (20) trading days prior to the conversion date. The fair value of the warrant was determined to be $2,306,364 on March 6, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 248%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years.

On March 19, 2019, the Company issued warrants having an 18-month term to purchase 83,078 shares of the Company’s restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to the lesser of (i) 60% multiplied by the lowest trading price during the previous twenty-five (25) trading days before the issue date of this Note or (ii) 60% multiplied by the market price. The fair value of the warrant was determined to be $296,143 on March 19, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 1.5 year.

On March 20, 2019, the Company also issued warrants having a 5 years term to purchase 80,036 shares of the Company’s restricted common stock, at an exercise price of $0.50 per share, with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to notice of conversion. The fair value of the warrant was determined to be $106,534 on March 20, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 266%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years.

On May 31, 2019, the Company issued warrants having a five-year term to purchase 160,000 shares of the Company’s restricted common stock at an exercise price of $0.50 per share with a cashless exercise feature. The exercise price subject to adjustment if the Company at any time while this warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise dispose of or issue (or announce any offer, sale, grant or any option to purchase or other disposition) any common stock or securities entitling any person or entity to acquire shares of common stock (upon conversion, exercise or otherwise) (including but not limited to under the Note), at an effective price per share less than the then exercise price. The exercise price shall be reduced to equal the effective price, and the number of warrant shares issuable hereunder shall be calculated by the original total number of warrant shares multiplied by the initial exercise price divided by the effective price. As the result, the exercise price of the warrants was reset to 50% multiplied by the lowest trading price during the previous twenty 20 trading days prior to this note or notice of conversion. The fair value of the warrant was determined to be $159,495 on May 31, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 253%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $38,775 was considered as debt discount upon issuance.

On July 3, 2019, the Company issued warrants having a three-year term to purchase 100,000 shares of the Company's restricted common stock at an exercise price of $0.275 per share with a cashless exercise feature. The fair value of the warrant was determined to be $20,280 on July 3, 2019, using the Black-Scholes option-pricing model based on the following assumptions: (i) volatility rate of 255%, (ii) discount rate of 0%, (iii) zero expected dividend yield, and (iv) expected life of 5 years. The fair value of the warrant of $20,280 was considered as stock compensation to consultant.

The following table summarizes all stock warrant activity for the six months ended June 30, 2021 and 2020:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2020	6,137,191	$ 0.82	1.25
Granted	1,185,017,072	0.00	0.01
Exercised	(4,187,561)	0.21	0.58
Cancelled or expired	–	–	–
Balance outstanding, June 30, 2021	1,186,966,702	$ 0.01	4.89
Exercisable, June 30, 2021	1,186,966,702	$ 0.01	4.89

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2019	6,358,097	$ 0.80	2.30
Granted	–	–	–
Exercised	(220,906)	0.20	3.59
Cancelled or expired	–	–	–
Balance outstanding, June 30, 2020	6,137,191	$ 0.82	1.75
Exercisable, June 30, 2020	6,137,191	$ 0.82	1.75

Options

During the six months ended June 30, 2021 and 2020, we recorded $0 and $105,242 option expense, respectively. The following table summarizes all stock option activity for the three months ended June 30, 2021 and 2020:

	Number of Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2020	2,050,000	2.21	3.26
Granted	–	–	–
Exercised	–	–	–
Cancelled or expired	–	–	–
Balance outstanding, June 30, 2021	2,050,000	$ 2.21	2.21
Exercisable, June 30, 2021	2,050,000	$ 2.21	2.76

	Number of Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term
Balance outstanding, December 31, 2019	2,050,000	2.21	4.26
Granted	–	–	–
Exercised	–	–	–
Cancelled or expired	–	–	–
Balance outstanding, June 30, 2020	2,050,000	$ 2.21	3.76
Exercisable, June 30, 2020	2,050,000	$ 2.21	3.76

Note 10– Other Related Party Transactions

As of June 30, 2021 and 2020, total amount due to officers and directors were $67,589 and $347,602.

Note 11 – Commitments and Contingencies

Leases

Effective April 28, 2020, the Company entered a one-year lease, expiring April 30, 2021, for its Westlake Village, California, corporate office for a total cost of approximately $1,270 per month. The lease automatically renews each year for an additional one-year term unless landlord receives the Company's notice of intent to terminate at least ninety (90) days prior to the expiration of the current term.

The Company records the $1,270 monthly rental outright to rent expense.

Accrued Salary

On March 1, 2021, the Company agreed to pay up to thirty-five percent (35%) Kevin Sylla's accrued unpaid salary balance as of March 1, 2021. The payments will be made between the agreement date and December 31, 2021 as Company's cash flow allows.

Legal Proceedings

The Company has determined that judgments rendered in the second quarter of 2018 in connection with all but four of the following legal proceedings against the Company are Type 1 subsequent events that provide additional evidence with respect to conditions that existed at the date of the balance sheet. Therefore, the financial statements reflect the effects of prejudgment judgments awards to plaintiffs through June 30, 2021, noted below in accordance with Auditing Standard 2801.03.

COLORADO WELLS

<u>Cap Energy, LLC vs. B.P. Allaire and Foothills Exploration, LLC, Case No. 2019CV30024, District Court, Rio Blanco County, Colorado.</u>

This civil suit, filed on February 14, 2020, concerns the Company's alleged breach of an assignment, conveyance, and bill of sale agreement effective January 1, 2018, for certain oil and gas leases, wells, and other interests located in Rio Blanco County, Colorado (Assignment). The Assignment was a product of a three-way negotiation between the Company, Cap Energy and a third party, Xtreme Energy Company (Xtreme). The suit seeks specific performance of the Assignment, namely that Foothills comply with its obligations under the Assignment to execute the instruments or conveyances necessary to effectuate the transfer of the leases and operatorship of the leases from Cap Energy to the Company. On May 8, 2020 judgement was granted Plaintiff against Foothills Exploration, LLC in the amount of $392,004.00.

WYOMING WELLS

GMT Exploration Company, LLC vs. Foothills Exploration, Inc. and Foothills Exploration, LLC, Case No.19-569-L, District Court Third Judicial District, Sweetwater County, Wyoming.

This civil suit filed November 8, 2019, concerns Foothill's alleged breach of an acquisition agreement to purchase certain oil and gas properties located in Sweetwater County, Wyoming, seeks specific performance of the purchase agreement (primarily our posting the required bonds) and alleges certain damages that are as yet undefined. The Company filed its answer to the complaint with the court on December 18, 2019. On December 26, 2019, Plaintiff GMT Exploration filed with the court a Motion for Immediate Appointment of a Receiver Pending Litigation. On January 14, 2020, the parties agreed to a stipulated receivership for the properties and the court appointed GMT Exploration as the receiver pending litigation. On December 7, 2020, default judgment was granted to Plaintiff against defendants Foothills Exploration, Inc. and Foothills Exploration, LLC.

UTAH WELLS

Conquest Well Servicing, LLC vs. Foothills Exploration Operating, Inc. (Case No. 179800421 8th Judicial District Court in and for Uintah County, State of Utah)

Conquest Well Servicing, LLC ("Conquest") filed this action on September 11, 2017, for collection of unpaid services and materials in the amount of $49,689 in connection with a workover of wells in Uintah County, Utah. A Settlement Agreement and Stipulation to Entry of Judgment was agreed to by the parties and filed with the court on October 10, 2017. Judgment in the amount of $54,937.10 including $5,248.10 in pre-judgement interest was filed on December 18, 2017. An order requesting company asset inquiry was issued on February 20, 2018. A hearing on contempt by FEOI for failure to appear and an answer as to assets was set for September 13, 2018. A stipulation was filed with the court to continue the hearing to October 22, 2018. FEOI inadvertently failed to appear at this hearing, resulting in a contempt of court citation being issued. Currently, FEOI is seeking to reschedule this hearing and intends to purge any contempt by compliance with the court's order. There has been no change in the status of this matter as of the date of this Quarterly Report.

BIA Administrative Appeal – Tiger Energy Partners International, LLC

Notice of Appeal:	Dated May 8, 2013
Appellant:	Tiger Energy Partners International, LLC
Appellee:	Superintendent Uintah and Ouray Agency
Decision	April 12, 2013
Concerning:	Notice of Expiration of Oil and Gas Leases

This Administrative appeal concerns the ownership and validity of Northern Ute (the "Tribe") Tribal leases acquired by Tiger Energy Partners International, LLC ("TEPI") in a transaction with Mountain Oil and Gas and its affiliated companies. Pursuant to the Global Settlement Agreement ("GSA") negotiated between the Tribe and TEPI, the Company proposes to resolve any issues regarding the ownership of the subject leases and other lands thus acquired. The status of the appeal by TEPI remained unchanged as of the Reporting Period awaiting decision by the Regional Director of the BIA on the merits of the appeal. The decision of the Regional Director is stayed by the parties having entered into the GSA. The Tribe and Tiger remain in discussion regarding approval of the Global Settlement Agreement by the Regional Director. There has been no change in the status of this matter as of the date of this Quarterly Report.

LABOKAY WELL – PARISH OF CALCASIEU, STATE OF LOUISIANA

R.W. Delaney Construction Company vs. Foothills Petroleum Operating, Inc. (Cause No. 2017-CV-0330 – County Court of Adams County, Mississippi)

This case was filed on September 18, 2017 and concerns the collection of amounts incurred by Foothills Petroleum Operating, Inc. ("FPOI") for services performed by plaintiff in the amount of $72,495 in connection with drilling the Labokay test well in Calcasieu Parish, Louisiana. Judgment was granted to Plaintiff on January 22, 2018, in the County Court of Adams County, Mississippi in the principal amount of $72,495, plus pre-judgement interest in the amount of $12,763, plus attorney's fees in the amount of $18,124, plus costs in the amount of $196, for a total amount of $103,578, plus post-judgment interest at the rate of 8% per annum. On May 9, 2018, District Court for the City and County of Denver, Colorado, granted plaintiff with an order granting their petition to domesticate this foreign judgment with the Denver District Court, which now has the same effect and is subject to the same procedures, defenses, and proceedings for reopening, vacating, or staying as a judgment from the Denver District Court, and may be enforced or satisfied in like manner. No further action has been filed in this matter as of the date of this Quarterly Report.

Performance Drilling Company, LLC vs. Foothills Petroleum Operating, Inc. (Case No. 2017-3916 DIV G 14th Judicial District Court in Parish of Calcasieu, State of Louisiana)

This case was filed on September 25, 2017, for payment of services performed by plaintiff in the amount of $205,251 for unpaid accounts in connection with its drilling of the Labokay test well. On January 16, 2018, a default judgment was entered against FPOI, in the amount of $205,251.24; together with accrued interest of $29,861 from March 18, 2017, through December 31, 2017; plus, additional interest from January 1, 2018, at the rate of one and one-half percent (1.5%) per month until paid (a per diem rate of $103.69); plus, an additional sum for reasonable attorney's fees of $2,500, and all costs of the court proceedings. FPOI was cited to appear through its authorized representative, B.P. Allaire, in open Court, on 27th of July at 9:00 a.m. to be examined as a Judgment Debtor. FPOI was ordered to produce at the above time and place all the books, papers and other documents so requested in the petition. FPOI inadvertently failed to appear at this hearing and is currently seeking to reschedule this hearing. No further action has been taken as of the date of this Quarterly Report.

Monster Rentals, LLC dba Deepwell Equipment Rentals vs. Foothills Petroleum Operating, Inc. (Case No. 2017-11013 DIV E – 15th Judicial District Court in Parish of Acadia, State of Louisiana)

This case was filed on October 24, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $53,943.53 in connection with the Labokay test well in Calcasieu Parish, Louisiana. On December 5, 2017, a default judgement was entered against FPOI in favor of Monster Rentals, LLC dba Deepwell Equipment Rentals ("Deepwell") in the amount of $53,943.53, plus attorneys' fees of $3,483 and court costs and expenses in the amount of $476.84, plus judicial interest from the date of the judicial demand, until paid, and for all costs of these proceedings. No further action has been filed in this matter as of the date of this Quarterly Report.

Canal Petroleum Products, Inc. vs. Foothills Petroleum Operating, Inc. (Case No. 2017-6574; DIV. C – 15th Judicial District Court, Lafayette Parish, Louisiana)

This case was filed on November 14, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $35,981 for unpaid accounts in connection with its drilling of the Labokay test well.

On January 25, 2018, a default judgment was entered against FPOI in the amount of $35,981 inclusive of interest as of September 6, 2017; plus, finance charges to accrue after September 6, 2017, of one and one-half percent per month (18% per annum) until paid on the unpaid principal amount of $32,956; plus, legal fees of $8,239 together with related court costs. No further action filed in this matter as of the date of this Quarterly Report.

Smith International, Inc. vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004617; DIV. E – 14th Judicial District Court, Calcasieu Parish, Louisiana)

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $30,244 in connection with its drilling of the Labokay test well.

On March 23, 2018, the court issued a preliminary judgement in favor of Smith International, Inc. ("Smith") in the amount of $30,244, plus interest in the contractual amount of 18% per annum from the date the payment was originally due until the judgment date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorneys' fees. On April 3, 2018, a final judgment was entered in favor of Smith. No further action filed in this matter as of the date of this Quarterly Report.

M-I, L.L.C. d/b/a MI-SWACO vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004616; DIV. G – 14th Judicial District Court, Calcasieu Parish, Louisiana)

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $51,275 in connection with the Labokay test well.

On March 23, 2018, the court issued a preliminary judgment in favor of plaintiff in the amount of $51,275, plus interest in the contractual amount of 1.5% per month from the date the payment was originally due until the judgement date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorney's fees expended in the prosecution and collection of debt. On April 3, 2018, a final judgment was entered in favor of plaintiff. No further action has been filed in this matter as of the date of this Quarterly Report.

Schlumberger Technology Corporation vs. Foothills Petroleum Operating, Inc. (Case No. 2017-004618; DIV. E – 14th Judicial District Court, Calcasieu Parish, Louisiana)

This case was filed on November 7, 2017 and concerns the collection of amounts incurred by FPOI for services performed by plaintiff in the amount of $28,904 for unpaid accounts in connection with its drilling of the Labokay test well in Calcasieu Parish, Louisiana.

On March 23, 2018, the court issued a preliminary judgment in favor of plaintiff in the amount of $28,904, plus interest in the contractual amount of 1.5% per month from the date the payment was originally due until the judgment date, plus legal interest from the judgment date until amounts are paid, plus reasonable attorney's fees expended in the prosecution and collection of debt. On April 3, 2018, a final judgment was entered in favor of plaintiff. No further action has been filed in this matter as of the date of this Quarterly Report.

Zealous Energy Services, LLC vs. Foothills Petroleum Operating, Inc. (Docket No. 086708 Div. C 16th Judicial District Court, Parish of St. Martin, Louisiana)

On September 28, 2018, the Court after reviewing the record of these proceedings, found the law and evidence supported Plaintiff's demands and, without holding a hearing, ruled as follows: the Court ordered, adjudged and decreed that a money judgement be rendered in favor of Zealous Energy Services, LLC and against Foothills Petroleum Operating, Inc. in the full and true amount of $53,026.58, plus interest at the judicial interest rate of 5% per annum from January 24, 2018, the date of judicial demand, until finally paid, plus attorney's fees of $1,260.00 and all costs. On March 1, 2019, a Motion to Examine Judgment Debtor was filed with the court.

633 17th Street Operating Company LLC v. Foothills Exploration, Inc. (Case No. 2019CV30189, District Court, City and County of Denver, Colorado)

This case was filed on January 16, 2019, seeking unpaid leasehold obligations in the amount of $75,107 from Foothills. On June 25, 2019 a judgement was granted to 633 17th Street Operating Company LLC in the amount of $139,793.42. A Writ of Garnishment was filed against Foothills, Bank of America on July 16, 2019.

As of June 30, 2021, and December 31, 2020, the balance of other liabilities was $413,782 and $413,782, respectively.

Note 12 – Subsequent Events

Issued Convertible Promissory Note – July 16, 2021

On July 16, 2021, the Company issued a 12% interest short-term fixed-rate convertible promissory note in the principal amount $885,000.00 with a $88,500.00 original issue discount and actual purchase price of $796,500.00 to Labrys Fund, LP. The note matures on July 16, 2022, and is the date upon which the Principal Sum, the original issue discount, as well as any accrued and unpaid interest and other fees, shall be due and payable.