

# CEO CFO

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## Riverdale Oil and Gas Corporation is Focused on Creating Stability Through the Type of Activity and Projects that They Select to Grow - with Non-Operating Production Interests in South Texas and the Gulf Coast of Texas



Energy  
Oil and Gas  
(RVDO-OTCPK)



**Ronald M. Herzfeld**  
President, Treasurer and  
Sole Board of Director

### BIO:

Ron Herzfeld began his career in the oil and gas industry in 1971, and has been involved in many areas of the

industry, in fields ranging from 500 to 18,000 feet in depth. He has been widely published and has presented at industry seminars. He is an active member of the Society of Petroleum Engineers (SPE); American Association of Petroleum Geologists (AAPG); The Geological Society of America (GSA); and, The New York Academy of Sciences (NYAS).

### Company Profile:

Riverdale Oil and Gas Corporation is a publicly-traded oil and gas prospect, project, and program acquisition company, with non-operating production interests in Texas.

Currently, we are in the process of developing programs to acquire industry-based interests in projects that display low risk and high return potential.

We also hold working interests that are cost-free for development (carried interests) in various projects in south Texas, and are continuing to develop our asset base through acquisition of carried interests, undivided working-interests, overriding royalty interests and mineral interests. Our management's expertise and strategic relationships within the oil and gas industry make this possible.

Riverdale Oil and Gas Corporation has utilized the state-of-the-art 3D seismic, and a proprietary Neural Network procedure, to base its investment activity. The Neural Network interpretation process (artificial intelligence) has demonstrated the ability to define oil and gas accumulations, with much greater accuracy, than the use of 3D seismic alone.

Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine

**CEOCFO:** Mr. Herzfeld, you have a long history in the industry; what attracted you to Riverdale?

**Mr. Herzfeld:** What attracted me was the opportunity to try to help Riverdale to find the kind of reserves that it needed to grow as a corporation.

**CEOCFO:** Would you tell us about the areas you are looking in and your current projects?

**Mr. Herzfeld:** Much of the areas are in south Texas and the Gulf Coast of Texas. We are looking for projects that are more of a conventional play. There are numerous shale projects not ideal for a small company; although, they have created great opportunities for small independent oil and gas companies to find acreage left behind by many of the large companies. For example, Chesapeake, who is heavily into the shale plays, moved away from some of the more conventional development objectives. We are looking to gain a foothold into those areas to develop an infrastructure and develop the reserves that are potentially there.

**CEOCFO:** When you look at a potential acquisition, what are you looking for?

**Mr. Herzfeld:** We are looking for a small interest in many different projects. We are looking at objectives that utilize the most standard means of identification of oil and gas reservoirs that currently is 3D seismic. We are working with companies that have the ability to utilize artificial intelligence techniques to determine areas

within the 3D seismic prospects that are the best locations to drill. Even though Riverdale is not an operating company, it participates with other companies in prospects, on an industry basis.

**CEOCFO:** Would you tell us about your projects?

**Mr. Herzfeld:** We are currently working on three projects. We have a project recently drilled and completed in Lavaca County, Texas. It is an oil and gas play. There are a couple shallow oil reservoirs and three deeper gas reservoirs discovered. Independent studies indicated that there could be as much as 105,000 barrels of oil and 2.4 billion cubic feet of gas in the reservoirs, so it is a significant discovery. We have a 1.667% working interest, acquired by purchasing a carried working interest from one of the generators of the prospect for \$10,000, and at today's prices, have an estimated gross value of \$200,000 to our interest. That was a significant asset for the company as far as a potential rate of return on that particular project. Another developing project is in an oil reservoir that could have as much as 126,000 barrels of oil in place, in which we own a 1% interest. There is a well that is drilling, in which we own a 1% interest, which could have between 35,000 to 40,000 barrels of oil reserves. We also have some producing properties that are still in the developing stage, which we have a 2.5% interest. We are acquiring smaller interests to reduce our risk monetarily. We are also reducing risk by utilizing the best oil and gas industry techniques available. Our management has been involved in oil and gas for many years. Riverdale is a relatively new company compared to my 40 years of industry experience, provided from me to Riverdale in an attempt to increase the viability of finding excellent prospects for Riverdale.

**CEOCFO:** Is the approach a reflection of the current energy and eco-

nomics or a sound business approach in general?

**Mr. Herzfeld:** I look at it really as more sound business investment in general. I learned a long time ago that it is not how many barrels of oil or how many thousands of cubic feet of gas a day produced. It is how much money you can make at the end of the day. It is really the same bottom line for any industry. When I began in the oil and gas industry, I operated 112 wells on one project where the total production was about 10 to 15 barrels of oil. It was a matter of identifying which wells were the productive wells. By reducing to 14 wells and concentrating the effort on those wells, the production increased. Actually, it tripled. The loss was about a \$4000 a month, but that turned around into about a \$2000 a month gain almost overnight, just by defining the bottom line. It is a business decision, by taking what you have in the field and trying to find ways to

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**- Ronald M. Herzfeld**

economize and making it profitable.

**CEOCFO:** Do you have a preference between oil and gas or is it strictly opportunistic?

**Mr. Herzfeld:** Currently, gas is very inexpensive. By the time that gas delivers to the Houston Ship Channel for sale, the gross price is under \$2.00. The perception is that it is not an exciting form of energy. That is not to say that you cannot make a lot of money still at those prices. It is the cost to find production and to produce it. Companies cannot produce shale wells for \$2.00, or produce low permeable wells at 10,000 feet. However, you can find some reservoirs that have production histories capable of producing at 2,000 feet that can produce millions of cubic feet of gas from each sand reservoir. You might stack a couple of reservoirs and get a half a billion cubic feet to three quar-

ters of a billion cubic feet per well that produces from 2000 to 2500 feet in depth. That becomes economical. It is the basic economics how you define and develop your prospects. With oil over a \$100 a barrel, there is a tremendous demand from investors to take advantage of these prices. There is a good reason why the prices are high. The demand is high and the supply is limited.

**CEOCFO:** What is the financial picture like for Riverdale Oil and Gas?

**Mr. Herzfeld:** My objective is to create stability through the type of activity and projects that we select to grow the assets for Riverdale. We are not out to hype the production. We report everything as it really is. They may not be flashy reports, but they do reflect how we are building the company. As far as our outstanding shares of stock, we do not have a large float. We are steadily increasing the float to get more shares out on the market. We have restricted stock that eventually will be available to the market. We do not want manipulation. We want to be a company that built on a solid foundation and can continue to grow into a much larger, oil and gas company.

**CEOCFO:** Why should investors choose Riverdale Oil and Gas?

**Mr. Herzfeld:** Investors need to look into the background of the people that are behind the company and the type of work that they have done to create credibility in their industry. They also need to look at the record and the expertise of the individuals managing the company. I believe Riverdale really has what it takes to be able to build a company through its technical and business abilities. Capitalization is a very important factor for success. Riverdale is currently developing a sensible strategy for ensuring the funding requirements to develop its projects.