

BUSINESS PLAN / FINANCIAL FORECAST

Cedar Aquifer

A proposed single-rig contractor selling defined drilling and well-service crew days for residential properties and small farms.

PLANNING EDITION / 2026-10-20

YEAR 1 REVENUE

603,790.00

USD

YEAR 1 NET INCOME

-121,235.99

USD

STARTUP USES

563,650.00

USD

Your guide to the plan

Detailed · Clear & Professional | Investor fundraising

Forecast from 2027-01-01 | 3 operating years | USD | base

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Planning forecast. Assumptions require review; proposed funding is not secured.

01 Executive summary

Cedar Aquifer proposes a single-rig residential and farm well contractor in Texas, USA; service territory to be verified. A proposed single-rig contractor selling defined drilling and well-service crew days for residential properties and small farms. The central launch decision is: Can one drilling rig support its paid crew and owner without treating additional helpers as additional saleable rig days?

Business overview

Property owners and small-farm operators with site authority, a defined water-supply project and an approved budget. Twenty available whole-crew days form one monthly pool. Domestic wells, farm wells, replacements, deepening and rehabilitation divide sold days once. The crew, rig and support roles stay fixed. The business will accept assignments within this service boundary and quote separately or refer work that falls outside it.

Key priorities

Validate paid projects by logging the full rig day, travel, preparation, downtime, completion purchases and money collected. The utilization assumption is a booking scenario, not measured local demand. Farm and domestic inquiries consume the same limited equipment calendar. A large project can occupy several days without creating several new customers or extra rig capacity. The proposed first operating month is January 2027. The owner should confirm service readiness, paid staffing and available cash before opening the calendar.

Financial highlights

The proposal requires \$750,000.00 in equity. Launch spending is \$563,650.00, leaving \$186,350.00 in opening cash. Year 1 revenue is \$603,790.00 and net income is -\$121,235.99. The first-year operating shortfall means sales do not yet cover the paid team and overhead. Funding provides time to establish demand; it does not remove that shortfall. The initial project outlay is not recovered within three operating years.

02 Company & management

Cedar Aquifer will operate as an independent service business. The working owner will control scope, staffing, commercial terms and weekly cash decisions; legal formation and the ownership agreement must be completed before trading.

Company background

Cedar Aquifer is a fictional Texas-oriented well contractor using one used rotary rig, support vehicles and a small yard. It serves residential and small-farm projects within a territory still to be chosen. No existing wells, issued trade credentials, premises agreement or customer pipeline are supplied; local eligibility and project requirements need verification before real commitments.

Ownership & management

The proposed owner contribution is \$500,000.00; the remaining \$250,000.00 is sought from external equity investors. The owner is also paid for an operating role. Investment valuation, ownership percentages, voting rights and distribution terms remain to be agreed.

Team & responsibilities

A lead driller and two helpers operate the same rig. Half-time well-service coverage, a full-time owner-manager and half-time office support are paid separately. Their salary budgets do not create another drilling crew or another day pool. The owner receives economic remuneration with no employee employer-cost allowance; the employee roles carry the illustrative allowance. Drilling lead: 1 × \$6,666.67 monthly, plus a 15% employer-cost allowance; Drilling helpers: 2 × \$4,166.67 monthly, plus a 15% employer-cost allowance; Well service: 1 × \$2,500.00 monthly, plus a 15% employer-cost allowance; Owner operations: 1 × \$5,333.33 monthly, with no employer-cost allowance; Office support: 1 × \$2,000.00 monthly, plus a 15% employer-cost allowance. A weekly roster must cover delivery, preparation, travel, administration, leave and absence. The owner's economic remuneration appears once in operating costs; it is not a second employee salary.

03

Products & business model

The offer is limited to work the team can define, price and deliver consistently. Each agreement should identify the buyer, included tasks, access requirements, deliverables, acceptance and payment terms.

Products & services

The five categories are domestic new wells, farm water wells, replacement wells, deepening and rehabilitation. Fees are realized amounts per whole-crew day, rather than complete-well quotations or per-worker charges. Standard completion goods and selected purchased job support are in direct costs. Unusual geology, access or completion requirements need an agreed scope and revised quote.

Pricing & revenue streams

20 available crew day units per month × 55% utilization = 11 sold units before ramp and seasonality. This shared capacity pool allocates completed work. 5 mutually exclusive service shares allocate that pool once. Each price is per crew day. The 3-month ramp, 6% annual requested-volume growth, normalized monthly seasonality and 2% annual price growth are illustrative. Fractional units are expected monthly averages, not partial completed customer assignments. Actual scheduling, completed work and collections still need validation. Domestic wells: 45% of the shared capacity at \$5,000.00 per crew day. Farm wells: 20% of the shared capacity at \$6,500.00 per crew day. Replacement: 15% of the shared capacity at \$4,800.00 per crew day. Deepening: 10% of the shared capacity at \$4,200.00 per crew day. Rehabilitation: 10% of the shared capacity at \$3,000.00 per crew day. Fees exclude customer sales tax. Confirm scope and any exceptional materials before accepting a fixed price.

Customer value

The proposed value is accountable scheduling and a clear record of the work authorized and performed. A crew-day price cannot promise a particular well depth, yield, potable supply or successful rehabilitation. Define the acceptance evidence and the response to unsuitable site conditions before mobilization. Actual competence, testing and specialist involvement remain project-specific decisions.

04 Market & competition

The initial market is the specific buyer and buying occasion described below. The launch should be justified by paid work in a practical service area, rather than by applying a market-share percentage to a broad industry estimate.

Target customers

Property owners and small-farm operators with site authority, a defined water-supply project and an approved budget. Confirm who commissions the work, who supplies access or records and who authorizes payment. Keep the initial territory small enough to support the promised response and delivery time.

Demand & validation

Validate paid projects by logging the full rig day, travel, preparation, downtime, completion purchases and money collected. The utilization assumption is a booking scenario, not measured local demand. Farm and domestic inquiries consume the same limited equipment calendar. A large project can occupy several days without creating several new customers or extra rig capacity.

Competition & positioning

Buyers may compare another suitable drilling contractor, a different water-supply option or deferring a discretionary project after appropriate advice. Compare the same geological assumptions, mobilization, casing, completion and testing boundary. No competitor tariff or local market share is asserted. A cheaper quoted day may cover materially less work or shift more risk to the property owner.

05 Marketing & sales

The acquisition process should bring in work that fits the team and produces collected contribution after delivery costs. Track qualified opportunities, accepted quotes, completed work and cash received as separate steps.

Customer acquisition

The owner would seek relevant property and agricultural introductions and publish a precise service boundary. Launch promotion is separate from recurring referral and callback allowances. Qualify access, scope, payer and equipment suitability before reserving rig time. Do not advertise an issued license, guaranteed water result or completed local project that this fictional business cannot substantiate.

Sales process

Confirm property authority and project feasibility, agree the included crew-day work and change process, then schedule mobilization. Invoice accepted work under the assumed blended collection timing. No separate advance, staged contract ledger or customer financing is modeled. The collection contingency is a paid planning reserve; it does not mean a invoice write-off or uncollectible invoice has been forecast.

Retention & measurement

Retain the authorized scope, work record, completion information and any follow-up responsibility. Distinguish a paid new service from a callback within the original obligation. Future pump or rehabilitation demand is not an automatic recurring subscription. Ask for a referral only after the customer has accepted the defined work and approved any use of project information.

06

Operations & milestones

Delivery must fit the paid team's hours, equipment and service window. Work should enter the calendar only after scope, competence, access and required resources are confirmed.

Facilities & resources

Launch assets include the rig, water/support truck, service truck and trailer, compressor/mud equipment, rods and test/shop equipment. Only casing and ordinary completion goods enter physical stock; fuel, repairs and purchased testing do not become a second inventory balance. The yard deposit is unresolved and excluded. Actual used-equipment condition, transport and commissioning costs need inspected quotes. The launch asset budget is Used truck-mounted rotary rig: \$275,000.00; Support water truck: \$85,000.00; Service truck and trailer: \$60,000.00; Compressor and mud equipment: \$60,000.00; Initial rods and tooling: \$40,000.00; Test pumps and shop equipment: \$20,000.00.

Service delivery

Screen the site and authority, agree scope and readiness, schedule the same rig crew, perform only work within verified capability, document changes and invoice accepted progress. This commercial outline is not a drilling or safety procedure. Travel, weather, repair and unsold time use the nonrevenue allowance. More support workers cannot overcome a rig outage or an unsuitable site.

Launch & development milestones

Choose the territory and entity, verify trade eligibility and coverage, inspect the rig and support fleet, obtain yard and completion-goods terms and test a small paid project. Review day utilization, all-in costs and cash before adding commitments. The planning start is January 2027; no operating approval, paid pilot, proven well performance or funded purchase is presented as complete.

07

Funding request & use of funds

All proposed equity must be available before launch payments. The funding plan separates equipment and setup spending from the cash reserve needed to support operations.

Use of funds

Launch spending totals \$563,650.00: \$540,000.00 for assets, \$17,650.00 for expensed setup and \$6,000.00 for opening inventory. Setup covers an allowance for formation, professional preparation, training and launch work. Refundable premises deposits and additional site work are excluded until scoped quotes are available.

Sources of funding

Total proposed equity is \$750,000.00, comprising \$500,000.00 from the owner and \$250,000.00 from external investors. Neither contribution is committed. No borrowing is included, and financing receipts are separate from earned revenue.

Owner contribution

The owner must confirm the availability and transfer date of the \$500,000.00 contribution. Economic remuneration pays for the owner's continuing operating work; it is separate from contributed capital. The company still needs cash for payroll, equipment and supplier invoices, even when the owner contributes additional time.

Funding request

The external equity request is \$250,000.00. Receiving all proposed equity leaves \$186,350.00 of opening cash and a forecast funding gap of \$0.00. The gap measures a cash shortfall after assumed funding; it is not a substitute for the investment request. Agree investor rights and reporting before accepting funds.

08

Financial plan

The forecast covers January 2027-December 2029 in USD, with launch spending reported separately. Its usefulness depends on the service mix, fee, staffing cost and collection terms below.

Forecast assumptions

20 available crew day units per month $\times$ 55% utilization = 11 sold units before ramp and seasonality. This shared capacity pool allocates completed work. 5 mutually exclusive service shares allocate that pool once. Each price is per crew day. The 3-month ramp, 6% annual requested-volume growth, normalized monthly seasonality and 2% annual price growth are illustrative. Fractional units are expected monthly averages, not partial completed customer assignments. Actual scheduling, completed work and collections still need validation. Direct costs are 35% of net fees. Only purchased materials enter inventory; outside services are not stocked. Paid employee costs and owner economic remuneration are operating expenses, outside the direct-cost ratio. Salaries and fixed overhead grow 3% annually. Collections take 12 days, supplier payments 19 days and inventory coverage 14 days. The 21% flat income-tax provision and role-specific employer-cost allowances are simplified planning inputs; personal owner taxes are not modeled.

Financial outlook

Year 1: revenue \$603,790.00, EBITDA -\$28,950.28, net income -\$121,235.99 and closing cash \$147,975.63. Year 2: revenue \$712,164.72, EBITDA \$26,142.72, net income -\$66,143.00 and closing cash \$172,865.93. Year 3: revenue \$769,992.72, EBITDA \$49,534.20, net income -\$42,751.51 and closing cash \$221,045.99. The first-year operating shortfall means sales do not yet cover the paid team and overhead. Funding provides time to establish demand; it does not remove that shortfall. EBITDA excludes depreciation, interest and income tax; net income includes depreciation and the tax provision.

Cash needs & financial resilience

The lowest forecast cash balance is \$144,587.95, and the funding gap is \$0.00. Positive monthly operating EBITDA is first reached in month 3. The initial project outlay is not recovered within three operating years. Cash differs from profit because of equipment spending, depreciation, collection delays and financing. Review the monthly low point before committing the reserve.

Debt & repayment

No debt or investor distributions are included. Any borrowing option needs an amount, draw date, interest rate and repayment schedule before its affordability can be assessed. Pre-tax project payback measures recovery of the operating investment; it is not a promised dividend, investor return or financing approval.

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Risks & contingencies

The main exposure is committing paid resources before collected sales justify them. The owner should use the service-specific risks below to decide when to narrow the offer, defer spending or stop.

Key risks

The retained forecast has losses and does not recover startup uses within the horizon. Rig downtime, difficult ground, expensive completion goods and slower collections can make it worse while crew and owner pay continue. The proposed reserve is not committed equity. A fixed initial repair ratio does not prove an older rig will remain serviceable at that cost.

Contingency actions

Use site-specific assessment, verified competence, suitable cover and written change authority. Test fewer sold days, rig disruption, higher completion purchases and loss of assumed supplier timing with the full paid roster retained. Narrow scope or delay a purchase when support is missing. Additional funding cannot establish profitable demand or repair the loss-making operating assumptions.

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Supporting documents

The launch decision needs commercial evidence as well as a forecast. Maintain an organized working file so that costs, commitments and delivery capacity can be reviewed before money is spent.

Available supporting information

The operating proposal defines the customer, service boundary, paid roles, launch assets and collection terms. The accompanying annual financial statements set out earnings, cash flow and the balance sheet for the three-year period. All funding remains a proposal; the business is at the prelaunch stage.

Documents to obtain

Actual trade and project permissions, suitable safe-work arrangements, rig and vehicle inspections, insured scope, goods and specialist quotes, yard/deposit terms, accepted job records and signed funding commitments remain outstanding. The selected license amount is only a planning allowance. No issued authorization, water-quality certification or secured financing is supplied. Record the actual fee, total delivery effort and date of payment for each trial assignment. Update the forecast and funding decision when quotes, commitments or measured results change a material assumption.

THE FINANCIAL FORECAST

Annual financial appendix

All amounts are USD and cover the forecast period. Operating years exclude pre-opening expenses; closing balances are never added together.

Cash & operating summary

Indicator	USD
Minimum cash, including prelaunch	144,587.95
Unfunded cash gap	0.00
Operating-period net income	-230,130.50
Final closing cash	221,045.99

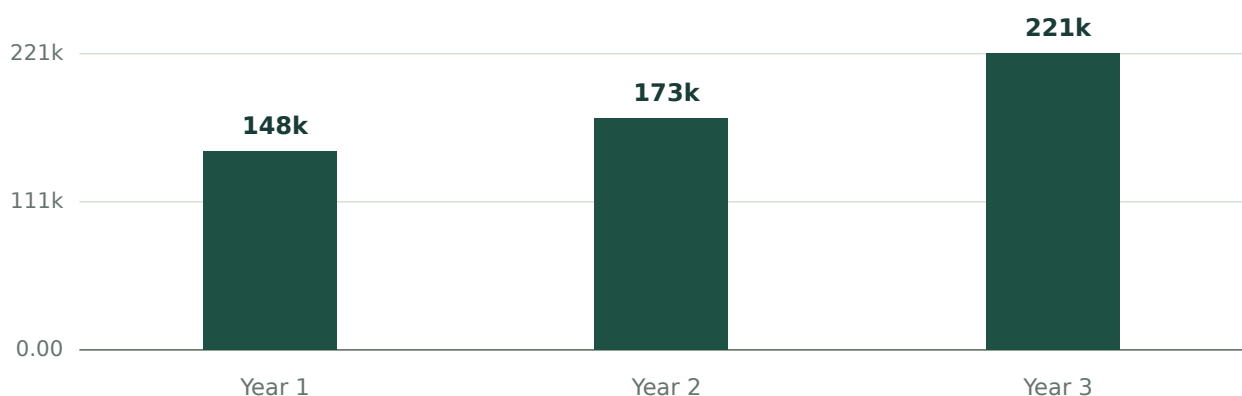
Profit and loss - USD

Item	Year 1	Year 2	Year 3
Revenue	603,790.00	712,164.72	769,992.72
Cost of goods sold	211,326.50	249,257.88	269,497.44
Gross profit	392,463.50	462,906.84	500,495.28
Operating expenses	421,413.78	436,764.12	450,961.08
EBITDA	-28,950.28	26,142.72	49,534.20
Depreciation	92,285.71	92,285.72	92,285.71
Interest expense	0.00	0.00	0.00
Income tax	0.00	0.00	0.00
Net income	-121,235.99	-66,143.00	-42,751.51

Cash flow - USD

Item	Year 1	Year 2	Year 3
Opening cash	186,350.00	147,975.63	172,865.93
Operating cash flow	-38,374.37	24,890.30	48,180.06
Investing cash flow	0.00	0.00	0.00
Financing cash flow	0.00	0.00	0.00
Net cash movement	-38,374.37	24,890.30	48,180.06
Closing cash	147,975.63	172,865.93	221,045.99

Closing cash, year by year



Year-end cash balances. Exact figures appear in the cash-flow table above.

Balance sheet - USD

Item	Year 1	Year 2	Year 3
Cash	147,975.63	172,865.93	221,045.99
Receivables	21,956.00	23,738.82	25,666.42
Inventory	5,635.37	6,092.97	6,587.71
Fixed assets, net	447,714.29	355,428.57	263,142.86
Total assets	623,281.29	558,126.29	516,442.98
Payables	12,167.28	13,155.28	14,223.48
Loan balances	0.00	0.00	0.00
Total liabilities	12,167.28	13,155.28	14,223.48
Equity	611,114.01	544,971.01	502,219.50
Reconciliation difference	0.00	0.00	0.00

Launch budget & proposed funding

Item	USD
Setup expenses	17,650.00
Asset purchases	540,000.00
Opening stock purchases	6,000.00
Equity contributions	750,000.00
Loan proceeds	0.00
Cash at launch	186,350.00
Opening inventory balance	6,000.00
Opening loan balance	0.00

Operating break-even - USD

Measure	Year 1	Year 2	Year 3
Break-even revenue	650,484.00	669,999.01	690,098.85
Margin of safety	-46,694.00	42,165.71	79,893.87

Project payback

Measure	Forecast result
Initial project outlay (USD)	563,650.00
Payback	Not recovered within the forecast
Final cumulative project cash (USD)	-528,954.01

Review before committing

11 financial checks passed; 0 require attention. The forecast is a planning scenario, not an audit, financing approval or promised return.

Planning model, not audited accounts or tax advice. Revenue is invoiced as earned; monthly subscriptions only. Annual prepayments, refundable deposits, milestone invoices, unbilled contract assets, customer taxes, seller settlements, capitalized interest and tax-loss carryforwards are not modeled.

Collection and supplier terms use 30-day monthly interpolation. Inventory purchases and non-stock direct costs use supplier terms; operating costs, setup costs, taxes and opening stock are paid immediately. Stock coverage applies only to linked goods costs. Production stock is tracked separately at unit cost.

Fictional editorial scenario. Prices, workload, wages, costs and financing are illustrative planning inputs, not current quotes, measured local averages or actual company results.

Source five-year crew-day case narrowed to 36 months: one rig, 20 available days and the original five shares/fees; fixed paid roster, three-month ramp and 6% requested growth. Owner economic pay has no employer allowance; actual employees have 15%. Fourteen physical stock days apply only to goods, replacing nine blended days; payment uses 19 blended days. Setup paid once; deposit excluded. Source tax treatment replaced by a simplified 21% provision. Fee, payroll and fixed-cost growth are 2%, 3% and 3%.

Employer-cost allowances follow each paid role row. A zero allowance on owner economic remuneration does not establish the owner's personal tax treatment. The flat 21% income-tax provision is a simplified planning input, not an entity or personal tax opinion. Customer sales-tax receipts/remittances and owner distributions are outside this scenario.

All equity is proposed, uncommitted month-0 cash. No debt is modeled. Opening cash is a reserve, not an extra startup expense. Asset/setup/insurance/premises allowances need scoped quotes; refundable premises deposits and site-specific additional works are excluded.

Calculation basis: operating and pre-opening periods remain separate. Stock, supplier terms, depreciation and debt terms affect profit and cash differently. Payback is project cash before financing, not an investor distribution. Review the assumptions and accounting policies alongside these statements.