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June 8, 2015

The Honorable Ray Mabus  
**Office of the Secretary of the Navy**  
1000 Navy Pentagon, Room 4D652  
Washington, DC 20350

**FEDERAL EXPRESS # 8075 7241 1800**

**RE: Oil Free LLC**

Dear Mr. Secretary:

My name is Leonard D. Wallace, Chairman and sole stockholder of Oil Free LLC, personally and corporately debt free, and like you, has served our country in the United States Navy. From June 1957 to June of 1964, I served as a Deck Seaman aboard a Fletcher Class destroyer, the USS Purdy DD-734 in Newport, Rhode Island for 24 months. We were at sea a third of the time but I must say, the most educational period of my entire life, which has brought me to where I am today. During my tenure, I enjoyed the modern conveniences of the Navy but was always obsessed with the antiquated refueling method naval vessels were subjected to while at sea. I was confident, eventually a solution would endure, so this is why I am writing you, to put forth this presentation letter requesting funds for the continuing development and design of our registered **Wallace HOD “Hydrogen on Demand” system**, which I own 100%, and would modernize the current antiquated refueling process, totally eliminating the use of fossil fuels.

Mr. Secretary, this tested and proven technology is a hydrolyzer, specifically designed to attach to an engine and produce hydrogen through the process of electrolysis, using fresh or clean ocean salt water. The hydrogen then becomes the fuel source to power an engine or turbine, eliminating the use of fossil fuels, and reducing carbon emissions to zero. Through further development and design of the Wallace HOD system, the entire U.S. naval fleet, excluding nuclear powered vessels, can operate on hydrogen as a power source, totally eliminating the dependence of petroleum or crude oil. Refueling of naval destroyers and other vessels while at sea will become obsolete. I am confident that once the U.S. Navy sees and learns of our technology, the procedure for calling “ALL HANDS ON DECK” for the refueling position will be abandoned.

It was reported in an article written by Lieutenant (junior grade) Douglas L. Marsh, U.S. Navy, “Our Lethal Dependence on Oil”, in June 2010, that the U.S. Navy consumes 33,000 gallons of fuel every 10 minutes and spends over \$8,600,000,000 billion dollars annually. We assume this expenditure has increased by at least by 1% per annum over the last 5-year period thus creating significant higher costs in fuel consumption. Although, the U.S. Navy Department is actively exploring alternative technologies for fuel and energy reductions, our research did not find any utilization of hydrogen as an

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alternative fuel source in your current alternative energy program. Oil Free LLC believes hydrogen on demand is the solution to this never-ending expense and strongly feels the U.S. Navy should consider taking progressive action for the "better good" with further research and development engineering.

If given the proper funding, Oil Free LLC has independent engineering groups who will be able to custom design and manufacture a specific Wallace HOD Hydrolyzer for every type engine in your naval fleet. With the absence of fuel, future naval vessel designs can be streamlined, lighter in weight, provide additional cargo area for munitions and provisions and eliminate hazardous conditions during refueling procedures. Oil Free LLC believes this would be a maritime historical achievement for the Department of the Navy, creating hundreds of thousands of jobs while automatically maintaining the most environmentally friendly, strongest and efficient Navy in the world.

Mr. Secretary, the information contained herein, is genuine and ready for further research and development. Oil Free LLC is embarking on a venture that will revolutionize the way we currently use energy in this country while simultaneously having an enormous, positive impact on our economy and global environment. A 24 page document which discusses in part, our research and discussions for customizing the Wallace HOD Hydrolyzer for the entire US electrical grid system, beginning with the state of Delaware, and ongoing efforts, as described in that document with a 3-page letter to Dean Powell, General Manager of Caterpillar Energy Solutions in Houston Texas, concerning their project with Mid-Kansas Electric at the Rubart Station facility near Ulysses, Kansas with the use of Caterpillar, CAT G20CM34 natural gas-fired reciprocating generators.

As an exhibit for the state of Delaware, our research estimates the cost for electricity amounts to \$4,380,000,000.00 annually, as outlined in Item 5A, page two, in the talking point section of the document. Item 5B, exhibits the savings of fifty percent (50%) or \$2,190,000,000.00 using the Wallace HOD system for their 875,000 population. When we analyze the cost per one million in population, total electrical cost would exceed \$5,000,000,000.00 annually, at cost of \$5,000.00 per person. Now, if we use this result for the 330,000,000 population in the United States, electrical costs are estimated at One Trillion Six Hundred Fifty Billion dollars (\$1,650,000,000,000.00) resulting in a savings of Eight Hundred Twenty-Five Billion Dollars (\$825,000,000,000) annually, with the use of the Wallace HOD system technology.

The calculations are as follows:

- $1,000,000 \text{ Population} / 875,000 \text{ Delaware Population} = 1.1428 \text{ Raw Number}$
- $1.1428 \times \$4,380,000,000 = \$5,005,464,000$
- $\$5,000,000,000 / 1,000,000 \text{ population} = \$5,000 \text{ cost for electricity per person}$
- $\$5,000 \times 330,000,000 \text{ US population} = \$1,650,000,000,000 \text{ cost for US electricity}$
- $\$1,650,000,000,000 / 2 = \$825,000,000,000 \text{ savings}$

These are enormous savings for the entire country and with further research and engineering development, Oil Free LLC would create millions of jobs for the American worker and their families, rebuild an antiquated electrical grid and eliminate the dependency of fossil fuels in the United States and other nations while substantially reducing greenhouse gas emissions worldwide. All, at NO TAXPAYER cost.

Our capabilities and achievements at Oil Free LLC are for the “better good” and may be classified as a “Disruptive Technology”, as described in Daniel Yergin’s book “The Quest”. Further, Oil Free LLC’s ongoing efforts in the future will certainly be credited nationally, and credited to your Naval legacy, as some may say, unmatched since John Paul Jones, while simultaneously supporting President Barak Obama’s legacy and current position with eliminating greenhouse gas emissions.

Our team of engineers and professionals are ready to assist your department with designing and manufacturing a specific size Wallace HOD Hydrolyzer to meet with your specific naval requirements. In order for Oil Free LLC to move forward, the request for funds from the United States Navy are as follows:

- 90 million dollars for the replacement of funds spent from January 2008 until today.
- An annualized monthly amount for corporate maintenance and continuation of research for 7.5 million monthly, with 3 months advancement, readjusted and published in month 9.
- Estimated at 15 million a month, with 3 months in advance, readjusted and published in month 9, for research and development expenses and establishing a certifiable laboratory to customize hydrolyzer designs for various specialty engines that currently burn fossil fuels.

With further introduction from your office, Oil Free LLC is willing to give, gift, or grant all future development rights, of the Wallace HOD technology to the United States of America for their exclusive military use; there will be no royalty charges. This assumes a mutually drafted agreement between Oil Free LLC and the United States Government, which I will execute as Chairman and sole stockowner, which stipulates Oil Free LLC’s ability to utilize this technology for all and any commercial uses.

In closing, I want to thank you for your consideration of this letter and am confident you will understand the enormous benefits before you in joining our vision with eliminating fossil fuel cancer, reducing destructive environmental greenhouse gas emissions, and putting the American worker and their families back to work.

I look forward to hearing from you at your earliest convenience, once you have reviewed the enclosed.

Thank you.

Sincerely,

**Oil Free LLC**

A handwritten signature in blue ink, appearing to read "Leonard D. Wallace", with a long horizontal flourish extending to the right.

Leonard D. Wallace  
Chairman and Sole Stockholder