



## Oil & Gas Performance Report Five Year Study (2018 – 2022)

We completed a cash-on-cash performance analysis for six drilling sponsors that offer diversified multi-asset drilling programs within the broker-dealer channel, with the data covering programs offered syndicated from 2018 through 2022. Drilling and revenue production would therefore begin the following calendar year of each program. The analysis includes the following companies:

Mewbourne Development (“**MEP**,” Permian/Anadarko Basin, 2018-2022)  
US Energy Development (“**USE**,” Eagle Ford/Delaware Basin, 2018-2022)  
APX Energy (“**APX**,” Illinois Basin, 2018-2021)  
John Henry Oil (“**JHO**,” Tennessee/Trenton, 2018 and 2020-2022)  
MDS Energy (“**MDS**,” Marcellus Shale, 2018-2022)  
S.T.L. Resources (“**STL**,” 2019-2022)

Note that the “**Cash on Cash**” column of the tables represents the cumulative cash on cash returns since program inception, whereas the “**Periodic**” column represents the distributions over a six-month or yearly basis (i.e., “**12-Mo.**” reflecting the trailing 12-month cash on cash returns from the report date, whereas “**6-Mo.**” would reflect the last six months of distributions on an annualized basis). The qualitative ranking is based upon our perception of where a program stands in comparison to its peer group in terms of past distributions and future prospects for success.

*As has been the case for the past several years, leading the drilling sponsor group in terms of overall qualitative ranking was Mewbourne Development, which ranked first in each of the five vintage years (with four of the five reported programs having already returned capital). This five-year period saw extreme volatility in terms of oil/gas pricing movements. MDS and U.S. Energy Development occupy the second and third spots in terms of qualitative performance within the five-year study period.<sup>1</sup> Interestingly, MEP, MDS, and USE, along with Waveland Capital Group, accounted for approximately 75% of the offering capital raised by all retail oil/gas sponsors we covered in 2023. We believe this to be a generally positive development, as it suggests that BD retail capital is finding its way to the sponsors with better recent prior performance trends.*

In addition to providing cash on cash return data for the drilling programs, we compiled cash on cash return data for two royalty program sponsors, Resource Royalty and Montego Energy Partners. We have also compiled some data on the performance of multiple growth and income-type programs offered to retail investors by Waveland Capital Group from 2018-2023. The program performance data for these sponsors follows the drilling program performance tables.

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<sup>1</sup> This study is limited to the five-year period noted herein. For more complete information, please request and refer to our most recent program level due diligence opinions.

## DRILLING PROGRAM PERFORMANCE

### 2018

#### Five Sponsors

Company	Capital	Mo. Distr.	Cash on Cash	Periodic	Report Date	Qualitative Rank*
Mewbourne MEP 18-A	\$116.68 mm	60	134%	21.85% (12-Mo.)	Apr. 2024	1
MDS 2018	\$66.00 mm	61	68%	6.74% (12-Mo.)	Apr. 2024 2023	2
APX New Harmony C	\$23.38 mm	46	51%	7.0% (3-Mo.)	Feb. 2024	3
US Energy 2018	\$81.59 mm	51	42%	6.81% (12-Mo.)	Jan. 2024	4
JHO TBR III	\$4.68 mm	16	20%	NR	May 2024	5

### 2019

#### Five Sponsors

Company	Capital	Mo. Distr.	Cash on Cash	Periodic	Report Date	Qualitative Rank*
Mewbourne MEP 19-A	\$99.31 mm	48	180%	19.76% (12-Mo.)	Feb. 2024	1
MDS 2019	\$68.79 mm	46	93%	11.09% (12-Mo.)	Apr. 2024	2
US Energy 2019	\$89.53 mm	39	57%	5.37% (12-Mo.)	Jan. 2024	3
STL Fund A	\$9.06 mm	37	47%	2.47% (12-Mo.) (1)	Dec. 2023	T4
APX New Harmony D	\$20.42 mm	31	42%	4.0% (3-Mo.)	Feb. 2024	T4

(1) Derived from PPM prior performance tables 2023-2024.

### 2020

#### Six Sponsors

Company	Capital	Mo. Distr.	Cash on Cash	Periodic	Report Date	Qualitative Rank*
Mewbourne MEP 20-A	\$55.31 mm	36	196%	29.24% (12-Mo.)	Apr. 2024	1
MDS 2020	\$59.47 mm	35	100%	11.49% (12-Mo.)	Apr. 2024	2
US Energy 2020	\$62.31 mm	30	89%	18.42% (12-Mo.)	Jan. 2024	3
STL Fund B	\$17.20 mm	30	37%	1.21%	Dec. 2023	4
APX New Harmony E	\$11.41 mm	22	19%	6.0% (3-Mo.)	Feb. 2024	5
JHO Ashburn Fault Creek	\$4.67 mm	24	16%	NR	May 2024	6

## 2021

### Six Sponsors

Company	Capital	Mo. Distr.	Cash on Cash	Periodic	Report Date	Qualitative Rank*
Mewbourne MEP 21-A	\$110.0 mm	24	99%	33.86% (12-Mo.)	Feb. 2024	1
US Energy 2020	\$112.19 mm	22	48%	22.23% (12-Mo.)	Jan. 2024	T2
MDS 2021	\$147.17 mm	20	48%	16.14% (12-Mo.)	Apr. 2024. 2023	T2
APX New Harmony F	\$19.02 mm	16	17%	15.0% (3-Mo.)	Feb. 2024	4
STL Fund C	\$25.86 mm	12	5%	5%	Dec. 2023	5
JHO Trenton Bl. River IV	\$6.70 mm	7	1%	NR	May 2024	5

## 2022

### Five Sponsors

Company	Capital	Mo. Distr.	Cash on Cash	Periodic	Report Date	Qualitative Rank*
Mewbourne MEP 22-A	\$250.0 mm	12	35%	30.14% (12-Mo.)	Apr. 2024	1
US Energy 2022	\$112.19 mm	10	16%	16.0% (12-Mo.)	Jan. 2024	2
MDS 2022	\$147.17 mm	13	8%	7.04% (12-Mo.)	April. 2024	3
JHO Trenton Bl. River IV	\$6.70 mm	7	2%	NR	May 2024	4
STL Fund D	\$25.86 mm	NA	0%	0% (1)	Dec. 2024	5

(1) None through Dec. 2023 – first distribution expected Apr. 2024

Note as to Some Other Sponsors:

Note that we picked up several new energy sponsors in 2023, whose track records within the retail channel will begin in 2024. These sponsors include RG Partners, LLC (drilling/workovers, north Texas), Texakoma Resources, LLC (drilling, Anadarko Basin), Mountain V Oil & Gas (drilling/recompletions, eastern Kentucky), Citizen Energy III, LLC (drilling, Anadarko Basin), Matrix Petroleum, LLC (drilling, Eagle Ford Shale) and Rising Phoenix, LLC (royalties, RIA oriented program).

Due diligence opinions for these sponsors can be requested by emailing Nikki Burson at [nburson@micklawpc.com](mailto:nburson@micklawpc.com) or by emailing [duediligence@micklawpc.com](mailto:duediligence@micklawpc.com).

## ROYALTY PROGRAM DISTRIBUTIONS

### RESOURCE ROYALTY

#### Reported from Resource Royalty XXII Direct Title Program Opinion (Apr. 2024)

Resource Royalty has sponsored five partnership-structured royalty funds and several direct title royalty programs. Resource Royalty's first private placement fund, Resource Royalty Fund, LLC ("**Fund I**"), was launched in 2011 and raised approximately \$1.851 million. Resource Royalty Income & Growth Fund 2012-A, LP ("**Fund II**") was launched in 2012 and raised approximately \$4.534 million. Resource Royalty's third private placement fund, Resource Royalty Income & Growth Fund 2013-A, LP ("**Fund III**"), was launched in 2013 and raised approximately \$10 million. Resource Royalty's fourth private placement fund, Resource Royalty Income & Growth Fund IV ("**Fund IV**"), was launched in 2014 and raised \$6.713 million. Resource Royalty's fifth private placement fund, Resource Royalty Income & Growth Fund V, LP ("**Fund V**"), was launched in Q1 2016 and raised \$3.3 million.

Through Q1, 2024, the cumulative distributions for Fund II, III, IV, and V are 72.37%, 33.37%, 53.56, and 49.11%, respectively, with the average annualized cash on cash distributions of Fund II, III, IV, and V being 6.73%, 3.54%, 6.43%, and 8.07% of invested capital, respectively. Note that Fund I sold its assets and distributed net proceeds in March 2017. The total cash-on-cash return for Fund I was 159.8% over 5.5 years.

Also, through Q1, 2024, Resource Royalty sponsored 18 direct title programs that have collectively raised about \$165 million. Summaries of the programs in terms of money raised and distribution pay history are provided below:

- LaSalle Royalties, LLC raised \$3,755,000 in 2015 and has returned 14.81% to investors since inception (for a 1.59% average annual cash-on-cash return over 112 distribution months);
- Cana Bradford Royalties, LLC raised \$4,111,500 in 2016 and has returned 35.74% since inception (for a 4.05% average annual cash-on-cash return over 106 distribution months);
- Preston Fisher Royalties, LLC raised \$5 million in 2016 and has returned 63.58% since inception (for an 8.38% average annual cash-on-cash return over 91 distribution months);
- Blaine Fisher Royalties, LLC raised \$6,000,000 in 2017 and has returned 22.15% since inception (for a 3.13% average annual cash-on-cash return over 85 distribution months);
- King Wood Royalties, LLC raised \$8,500,000 in 2017 and has returned 39.20% since inception (for a 5.74% average annual cash-on-cash return over 81 distribution months);
- Canadian River Royalties, LLC raised \$11,000,000 in 2017 and has returned 53.04% since inception (for an 8.06% average annual cash-on-cash return over 79 distribution months);

- King River Royalties, LLC raised \$14,000,000 in 2018 and has returned 35.46% since inception (for a 5.60% average annual cash-on-cash return over 76 distribution months);
- Meramec Royalties, LLC raised \$16 million in 2018 and has returned 19.75% since inception (for a 3.39% average annual cash-on-cash return over 70 distribution months);
- SpringBoard Royalties, LLC raised \$16 million in 2019 and has returned 18.98% since inception (for a 3.62% average annual cash-on-cash return over 63 distribution months);
- Resource Anadarko Royalties, LLC raised \$12.0 million in 2020/2021 and has returned 39.16% since inception (for a 9.21% average annual cash-on-cash return over 51 distribution months);
- Resource Royalty XV, LLC raised \$5,588,235 in 2021 and has returned 52.45% since inception (for a 19.07% average annual cash-on-cash return over 33 distribution months);
- Resource Royalty XIV, LLC raised \$13,258,255 in 2022 and has returned 21.73% since inception (for a 10.03% average annual cash-on-cash return over 26 distribution months);
- Resource Royalty XVII, LLC raised \$15,255,345 in 2022 and has returned 13.55% since inception (for a 8.13% average annual cash-on-cash return over 20 distribution months);
- Resource Royalty Exclusive LLC raised \$4,588,767 in 2022 and returned 18.28% since inception (for an 9.97% average annual cash-on-cash return over 22 distribution months);
- Resource Royalty XVIII, LLC raised approximately \$10.10 million in 2023 and returned 6.74% through Q1, 2024 (13 distribution months);
- Resource Royalty XIX, LLC raised approximately \$9.80 million in 2023 and returned 5.99% through Q1, 2024 (11 distribution months);
- Resource Royalty XX, LLC raised approximately \$9.60 million in 2023 and returned 4.89% through Q1, 2024 (eight distribution months); and
- Resource Royalty XXI, LLC raised approximately \$4.9 million in 2023 and 2024 and returned 1.89% through Q1, 2024 (three distribution months)

**MONTEGO ENERGY PARTNERS**  
**Reported from the**  
**Cedar Ranch Properties LLC**  
**Mar. 2024**

Affiliates of Montego previously sponsored offerings in three “pass-through” programs that included Fund 1, Fund 2, and Fund 3, whose offerings collectively raised \$16.225 million through a series of private placements conducted from 2013 through June 2018.

## Fund 1

Fund 1 commenced operations in June 2013 and raised \$4.925 million from thirty-nine (39) limited partner investors and \$49,747 from the general partner through March 2014. According to a Balance Sheet of Fund 1's 2014 audit (i.e., the first full year of operations), the program spent \$4.913 million of its capital acquiring producing and non-producing properties. A description of the fund's initial portfolio is provided below:

Purchases:	104
Geologic Basins:	Midland Basin-West Texas (Wolfberry/Wolfcamp) East Texas (Cotton Valley/Haynesville) Granite Wash-North Texas

A summary of the fund's results is provided below (through February 2024):

Capital Raised:	\$4.925 million
Cumulative Cash on Cash Return:	222.3% (life of program)
Avg. Annual Cash Return:	23.40% (since October 2013)

## Fund 2

Fund 2 commenced operations in August 2014 and raised \$6.1 million from forty-three (43) limited partner investors and \$61,616 from the general partner through June 2015. According to the Balance Sheet of Fund 2's 2015 audit (representing the fund's first full year of operations), the program spent \$6.079 million of its capital acquiring producing and non-producing properties. A description of Fund 2's portfolio is provided below:

Purchases:	100
Geologic Basins:	Midland Basin-West Texas (Wolfberry/Wolfcamp) East Texas (Bossier/Haynesville) East Pennsylvania (Marcellus) South Texas (Fayette County)

A summary of the fund's operating results is provided below:

Capital Raised:	\$6.10 million
Cumulative Cash on Cash Return:	133.84% (life of program)
Avg. Annual Cash Return:	15.75% (since Sept. 2014)

## Fund 3

Fund 3 began business in August 2016 and raised \$5.2 million of capital from its limited partners. The deployable capital of Fund 3 was used to acquire minerals/royalties situated in east and west

Texas, with the capital concentration of the fund favoring the Midland Basin. A description of Fund 3's portfolio is provided below:

Gross Acreage:	133,736
Net Acreage:	1,268
Producing Wells:	1,289
Geologic Basins:	Delaware Basin-West TX. and N.M. Midland Basin-West TX. East Texas

Capital Raised:	\$5.20 million
Cumulative Cash on Cash Return:	138.22% (life of program)
Avg. Annual Cash Return:	21.26% (since Sept. 2016)

#### Montego Direct Title Programs

Montego also provided us with information pertaining to the distributions paid to investors with respect to its ten direct title programs funded from 2018 through June 2023. The distributions of these programs have generally fallen within a mid- to high-single-digit range on an annualized basis, which is consistent with our expectations given the stage in which the programs are in respect to their operations. On a dollar cost average basis, and based upon Montego's reported results, the programs whose offerings have closed for at least 12 months (i.e., through Iron Oak) have returned approximately 7.81% annualized (as a group). A chart that summarizes the distributions of these programs is provided below:

Program	Capital Raised	Close of Offering	Lifetime Return	Lifetime Annualized Return*
Black Pine Minerals	\$11.30 mm	7/2018	33.30%	6.34%
White Pine Minerals	\$23.45 mm	4/2019	28.01%	5.60%
Pecos Ridge Minerals	\$14.72 mm	7/2019	32.30%	7.05%
CapRock Minerals	\$13.65 mm	1/2020	43.20%	10.37%
Midland Mesa Minerals	\$12.40 mm	10/2021	26.50%	8.59%
Midland Peak Minerals	\$11.20 mm	1/2022	28.52%	14.88%
Silver Peak Minerals	\$12.40 mm	4/2022	10.12%	6.07%
Midland River Minerals	\$11.2 mm	7/2022	8.68%	6.13%
Edgewood Minerals	\$11.70 mm	10/2022	9.04%	7.75%
Iron Oak Minerals	\$12.1 mm	2/2023	5.74%	5.30%
Reeves River Minerals	\$12.40 mm	6/2023	12.32%	16.43%
Ashwood Minerals	\$12.90 mm	9/2023	8.78%	17.60%
Permian Plains	\$15.70 mm	11/2023	4.08%	12.24%

\*Montego-provided – from PPM

**WAVELAND CAPITAL GROUP, LLC**  
**(Updated Apr. 2024)**

Since 2010, Waveland Capital Group LLC (Waveland) has offered seven growth and income-oriented oil and gas investment funds that were formed to enable accredited investors to participate with Waveland in the acquisition of upstream focused properties that included (i) oil/gas leases and working-interests, (ii) producing wells, (iii) mineral rights, and (iv) other upstream-related assets. Waveland’s growth and income funds offered over the past decade included Waveland Resource Partners LP (“**WRP I**,” closed Sept. 30, 2011), Waveland Resource Partners II, LP (“**WRP II**,” closed Dec. 31, 2012), Waveland Resource Partners III, LP (“**WRP III**,” closed Dec. 31, 2015), Waveland Resource Partners IV, LP (“**WRP IV**,” closed Mar. 31, 2018), Waveland Resource Partners V, LP (“**WRP V**,” closed Dec. 31, 2020), and Waveland Resource Partners VI, LP (“WRP VI,” closed Aug. 31, 2023).

Looking back five years from 2018, Waveland’s distribution history covers WRP IV through VI. The two primary assets of these entities include (i) a collective 10.0% equity interest in DJR Resources, as well as majority equity positions in Waveland Bakken Holdings, LLC (“**WBH I**”), Waveland Bakken Holdings II, LLC (“**WBH II**”) and Waveland Bakken Holdings III, LLC (“**WBH III**”), which are asset holding entities formed to hold the program’s non-operated working interests in various oil/gas leases and associated drilling projects located in core regions of North Dakota’s Bakken Shale Play. A summary of certain program activities from WRP IV through VI is provided below.

<b><u>WRP IV</u></b>	Closed March 31, 2018
Capital Raised:	\$78.75 million
Distributions to date:	13.49%
Current Dist. Rate:	6.0% annualized

<u>Projects</u>	<u>Capital Deployed</u>	<u>Percentage of Total</u>
Bakken/WBH	\$32.419 million	51.30%
DJR San Juan Basin	\$14.63 million	28.90%
Scurry County	\$6.515 million	10.30%
Divestments/Write Offs	\$6.0 million	9.50%

<b><u>WRP V</u></b>	Closed Dec. 31, 2020
Capital Raised:	\$46.55 million
Distributions to Date:	23.37%
Current Dist. Rate:	12.0% annualized

<u>Projects</u>	<u>Capital Deployed</u>	<u>Percentage of Total</u>
Bakken/WBH	\$30.765 million	81.20%
Bakken/WBH II	\$6.5 million	17.20%
Cash/Reserves	\$0.6 million	1.60%



**WRP VI** Closed August 31, 2023  
 Capital Raised: Approx. \$135 million  
 Distributions to date: 11.0%  
 Current dist. Rate: 12.0% annualized

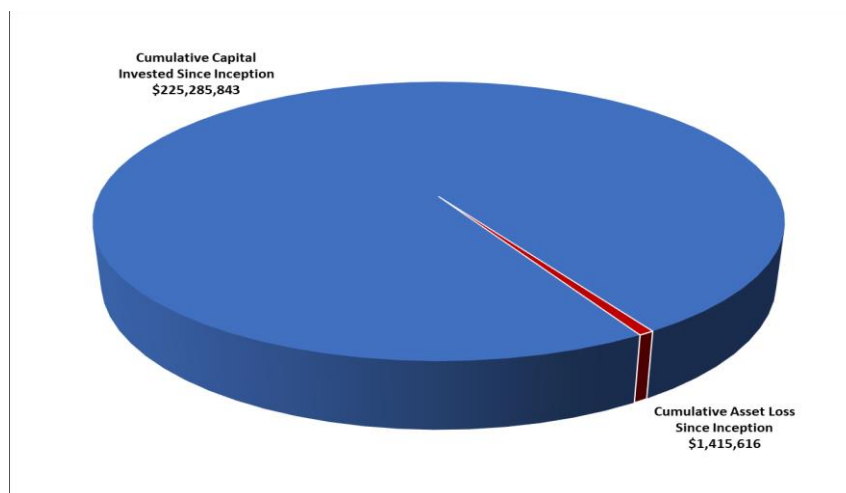
Projects	Capital Deployed	Percentage of Total
Bakken/WBH II	\$110 million	100.00%

*WBH and WBH II  
 Financial Performance*

The following table provides summaries of the Revenues, Costs, and Earnings of Waveland’s acquired Bakken Assets held by WBH I and WBH II from 2018 through 2023.

Income Summary (\$MM)	2018	2019	2020	2021	2022	2023	Cumulative
Revenues	0.5	10.9	9.4	24.8	42.1	77.0	164.7
Expenses	-	4.6	5.5	7.6	12.7	23.3	53.7
Operating Income	0.5	6.3	3.9	17.2	29.4	53.6	110.9
Profit Margin	100%	58%	41%	69%	70%	70%	67%

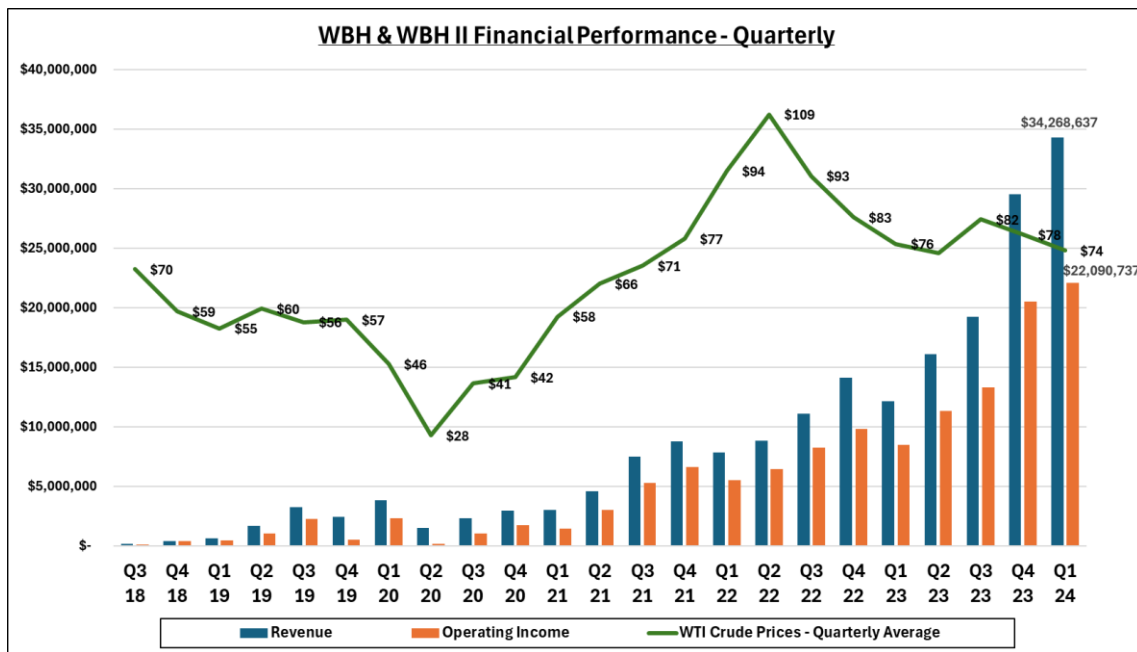
In connection with its Bakken strategy, Waveland reports that its activities have been successful in converting managed program capital into cash flow, while also maintaining investor capital protection. Including raised capital and reinvestments, the cumulative capital invested into projects since inception is \$225.3 million, with cumulative lease and mechanical write-offs of only \$1.4 million (0.62%).



The Bakken oriented programs (i.e., WRP II through VII) continue to grow production and cash flows from reinvestments of earnings. The total capital outlay is over \$104 million, with cumulative earnings exceeding \$60 million and oil production of 6,582 BOE per day (quarterly

average as of 1Q 2024) due to new wells being placed into pay status. The original equity investments total about \$70 million in WBH, primarily from WRP IV and V, with about \$23.4 million of quarterly distributions paid to date. For WBH II, the original investments total about \$117 million from WRP V and WRP VI. Waveland reported approximately \$35 million of new acquisitions in 2022 and 2023 from reinvestments of excess operating income above the amount distributed to WRP investors over the same period.

The WBH/WBH II combined income was generated from 3Q 2018 through 1Q 2024 at crude oil prices ranging from \$28 BBL in 2Q 2020 to \$109 BBL in 2Q 2022, with an average price of approximately \$67.44 per BBL yielding a 67% cumulative profit margin. The chart below illustrates Waveland’s revenue and operating income growth during periods of declining crude oil prices.



Final Note:

We would encourage you to archive this for RN 10-22 and Reg. BI Compliance purposes, as the results of this study could potentially be useful in your efforts to support your firm’s product selection decisions in future regulatory inquests/audits. Please direct future questions to Brad Updike, LLM, JD at [bupdike@micklawpc.com](mailto:bupdike@micklawpc.com).



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