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Mick Law 2026 Oil & Gas Performance Report

This performance report covers oil and gas program sponsors that we evaluated in 2025. Please note, due to the presence of sponsor turnover, the number of operated drilling sponsors has been reduced from what we reported in our prior performance report (June 2025). Among the companies that dropped from our due diligence coverage over the past couple of years include: APX Energy, LLC; John Henry Oil; and STL Resources.

For this report, we have separated sponsor information into four parts, which include (i) operated drilling, (ii) qualified opportunity funds, (iii) royalties/1031 programs, and (iv) non-operated drilling programs. Based upon the differing capital deployment strategies, assets, and product structures, we believe that it is appropriate to separate the prior performance information of the oil/gas sponsors by cap. ex. deployment strategy.

For additional information regarding these companies, please request our sponsor and program level opinions. Please note that certain sponsors may have limited track records at this time, depending upon when they entered the retail financial sector. As such, our sponsor-level opinions may be helpful in your efforts to understand a sponsor's work accomplishments and success prior to entering the retail financial channel.

Operated Drilling

The following is a Seven-Year Look-Back for the three operated drilling programs with track records. Mewbourne Oil Co. ("Mewbourne") continues to stand out as number one with MDS/Snyder Bros also faring well due to a rebound in natural gas prices in 2025.

We note that the cash returns from U.S. Energy Development Corp. ("U.S. Energy") are better in comparison to the drilling programs it syndicated prior to 2018. Additionally, with oil pushing $90-100 over the past three to four months, the same should help some of the programs with lower single digit distribution rates to catch up to some extent.

A newcomer to the operated drilling sponsors is Citizen Energy Ventures, which is drilling in the Oklahoma Anadarko Basin. Citizen Energy Ventures is the fourth iteration of the "Citizen Energy" sponsor company, with the first three predecessors fairing very well from a prior performance perspective. **Please note that a sponsor and program level opinion for Citizen Energy Ventures' 2026 drilling program is available upon request**.

Seven-Year Look-Back – Operated Drilling

This seven year review encompasses: (i) Mewbourne (2018 through May 2026); (ii) MDS Energy (2018 through May 2026); and (iii) U.S. Energy (2018 through Dec. 2025).

2024			
Sponsor	Capital Raised	Cumulative Cash on Cash	Trailing 12-Mo.
MEP 24-A	$180,000,000	41.28%	36.52%
USEDC Drilling	$425,276,000	26.84%	24.44%
MDS 2024	$177,315,545	13.12%	13.12%

2023			
Sponsor	Capital Raised	Cumulative Cash on Cash	Trailing 12-Mo.
MEP 23-A	$180,000,000	71.67%	30.72%
USEDC Drilling	$352,008,000	50.68%	18.43%
MDS 2023	$176,263,675	30.81%	20.78%
2022			
Sponsor	Capital Raised	Cumulative Cash on Cash	Trailing 12-Mo.
MEP 22-A	$250,000,000	90.79%	17.76%
USEDC Drilling	$238,489,000	52.78%	10.4%
MDS 2022	$217,493,542	39.91%	16.19%
2021			
Sponsor	Capital Raised	Cumulative Cash on Cash	Trailing 12-Mo.
MEP 21-A	$110,000,000	133.25%	9.56%
MDS 2021	$147,168,666	85.2%	19.97%
USEDC Drilling	$112,196,000	66.91%	5.75%
2020			
Sponsor	Capital Raised	Cumulative Cash on Cash	Trailing 12-Mo.
MEP 20-A	$55,310,000	227.64%	9.35%
MDS 2020	$59,467,492	134.06%	18.42%
USEDC Drilling	$62,309,000	105.54%	2.59%
2019			
Sponsor	Capital Raised	Cumulative Cash on Cash	Trailing 12-Mo.
MEP 19-A	$99,310,000	203.83%	10.14%
MDS 2019	$68,788,335	120.59%	13.35%
USEDC Drilling	$71,276,000	84.18%	2.14%
2018			
Sponsor	Capital Raised	Cumulative Cash on Cash	Trailing 12-Mo.
MEP 18-A	$116,680,000	151.45%	6.55%
MDS 2018	$66,000,000	87.87%	9.76%
USEDC Drilling	$81,595,000	55.35%	1.65%

Qualified Opportunity Zones

At the present, U.S. Energy is the sole provider of E&P focused Qualified Opportunity Funds ("QOFs").

Since 2019, U.S. Energy has syndicated and closed four QOFs that focused their investment attention on acquiring non-operated working interests in the Permian Basin and Powder River Basin. These four programs were structured as limited partnerships and collectively raised $459 million.

A table explaining the financial results of U.S. Energy's four most recent QOF programs is provided on the next page. Please note this table was prepared with information derived from U.S. Energy's internally prepared program level financial statements.

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Unaudited FS YE 2025	USEDC 2019 A Drilling Fund LP	USEDC Opportunity Zone Fund I LP	USEDC Opportunity Zone Fund II LP	USEDC Opportunity Zone Fund III LP
Capital Raised	$18,254,000	$93,038,000	$94,279,112	$253,224,167
Operations Commenced	Nov. 2019	Jan. 2021	June 2023	Aug. 2024
First Distribution	Feb. 2021	Aug. 2021	June 2023	Dec. 2024
Total Assets	$8,119,110	$83,029,260	$111,395,978	$256,964,340
Current Assets	$343,277	$26,314,822	$52,002,733	$219,820,880
Total Liabilities	$512,936	$12,155,165	$10,485,513	$3,740,173
Current Liabilities	$341,781	$554,123	$514,696	$246,791
Equity	$7,606,174	$70,874,095	$100,910,465	$253,224,167
Revenue	$2,735,677	$18,866,940	$26,873,052	$21,963,665
Income from Operations	-$88,812	-$3,518,517	$4,446,512	$12,627,141
Earnings	$1,363,394	$10,319,484	$18,385,421	$14,878,687
Earnings to Capital	7.47%	11.09%	19.50%	5.87% (1)
Fund Level Cash Return to Date (Q3 2025)	86.0%	78.9%	57.1%	NA

(1) In 2025, $3.411 million in distributions were paid. This program's offering was closed on Dec. 31, 2025. Of the program's $253 million in capital, about $92 million was raised in 2024, with the remainder raised in 2025.

Based upon our review of the unaudited financials for U.S. Energy's four QOF-structured programs, all programs appear to be undergoing bona fide operations, with the earnings as a percentage of gross program capital ranging from about 6% (USEDC Opportunity Zone Fund III, 2024-25) to about 20% (USEDC Opportunity Zone Fund II, 2023). Due to recent increases in oil prices and assuming further that the information contained within the program financials above is correct, these four programs appear to be reasonably positioned to provide returns to investors.

Royalties

Currently, we are covering three sponsors with mineral rights and royalty investment platforms, which include (i) Montego Energy Partners ("Montego"), (ii) Resource Royalty, LLC ("Resource Royalty"), and (iii) WhiteHawk Income Corp. ("WIC"). Montego and Resource Royalty have both raised a substantial majority of their retail investment capital through their offerings of programs structured as direct title offerings, which enable subscribers to use their acquired program interests as replacement properties for like kind exchanges conducted under I.R.C. §1031. WIC has raised its E&P capital through a Delaware corporate structure whereby the issuer program can raise equity by issuing both common and preferred stock shares to retail investors. A summary of each sponsor's platform in terms of its product structure, capital deployment strategy, and prior performance is provided below.

Resource Royalty, LLC.

Since 2011, Resource Royalty has sponsored five partnership-structured royalty funds and 22 direct title royalty programs. The net capital from these programs was used to acquire mineral rights and royalties across 490,000 gross mineral acres, 470 tracts/units, and 1,650 producing oil and gas wells. Presently, Resource Royalty focuses its royalty acquisitions on properties located in the Oklahoma Anadarko Basin and Midland Basin in west Texas.

Below is a summary of Resource Royalty's five private placement partnership programs:

Fund	Money Raised	Launch Year
Resource Royalty Fund, LLC ("Fund I")	$1.851 million	2011
Resource Royalty Income & Growth Fund 2012-A, LP ("Fund II")	$4.534 million	2012
Resource Royalty Income & Growth Fund 2013-A, LP ("Fund III")	Approximately $10 million	2013
Resource Royalty Income & Growth Fund IV ("Fund IV")	$6.713 million	2014
Resource Royalty Income & Growth Fund V, LP ("Fund V")	$3.3 million	Q1 2016

Through Q4 2025, the cumulative distributions for Fund I, Fund II, Fund III, Fund IV, and Fund V are 159.8%, 110%, 62%, 79%, and 56.19%, respectively. Note that Fund I sold its assets and distributed net proceeds in March 2017. Fund II, Fund III, and Fund IV sold their assets in Q1 2024, and are closed. As such, two of the four closed programs returned capital or better.

With respect to the program returns for the direct title programs, we note that 21 of the 22 direct title programs have paid distributions over periods that range from one year to 11 years. The *average annualized* cash on cash returns for 21 managed royalty programs with a year or more of distribution payments range from 13.96% (Res. Royalty XV) on the high side, to 1.44% (LaSalle Royalties) on the low side. On a dollar cost average basis, the 21 programs with a year or more of distributions had an average annualized cash on cash return of 6.83% (with about 50% of the programs reporting average annualized returns at or above the group average).

Montego Energy Partners

Montego is a royalty program sponsor that has syndicated private royalty investment programs through private placements since 2013. Montego's present investment focus is on acquiring lease minerals and royalties within the Permian Basin in New Mexico and west Texas and the Haynesville/Bossier natural gas plays in east Texas and Louisiana. Montego has syndicated approximately 30 minerals and royalty-oriented investment programs whose offerings were structured as private placements under Rule 506 of Regulation D. These programs collectively raised approximately $450 million through May 2026. While Montego has offered programs structured as partnerships, its direct title programs have accounted for a substantial majority (i.e., about 85-90%) of Montego's capital raise activities from its inception through present date.

Montego's royalty-based program platform began with the offerings of Montego Capital Fund I Ltd. ("Montego Fund 1"), Montego Capital Fund II Ltd. ("Montego Fund 2"), and Montego Capital Fund 3 Ltd. ("Montego Fund 3"), which are three limited partnerships formed to acquire mineral rights and royalties in various regions of east and west Texas. These partnership-structured entities collectively raised their capital through a series of private placements conducted in 2013-2016. The subscriber base for these programs consisted of friends, family, business acquaintances, and referrals of Montego's principals (with Texas Tech connections being helpful to this).

Montego Fund 1, Montego's initial royalty acquisition program, commenced operations in June 2013 and raised $4.925 million through April 2014. This fund made 104 separate purchases under 270 separate tracts situated primarily in: the Midland and Delaware Basins of west Texas;

the Haynesville-Bossier Plays in east Texas; and within two drilling units in Wheeler County of north Texas. Montego Fund I has returned 360% cash on cash since inception.

Montego Fund 2 commenced operations in August 2014 and raised $6.1 million through April 2015. Montego Fund 2 made 100 separate purchases under 154 separate tracts situated primarily in the Midland Basin of west Texas, the Haynesville Shale Play in east Texas, Fayette County of southern Texas, and within the Marcellus Shale Play, Susquehanna County of Pennsylvania. Montego Fund 2 has returned 161% cash on cash since inception.

Montego Fund 3, which raised $5.2 million through July 2018, also made acquisitions in over a hundred different properties situated in the Midland and Delaware Basins of west Texas and the Haynesville-Bossier Plays in east Texas. Montego Fund 3 has returned 190% cash on cash since inception.

Additionally, through the broker-dealer channel, Montego has offered limited partnership interests in Advantage Royalty Fund 1, LP ("Advantage Fund"), a fourth partnership-structured program, whose interests were syndicated to retail investors in 2022-2023. The Advantage Fund raised approximately $10 million from subscribers. Unlike many of Montego's prior royalty programs which are heavily focused upon oil producing mineral interests, the Advantage Fund's assets were acquired to take advantage of promising natural gas fundamentals linked to higher demand from LNG exporting and other use drivers (e.g., data centers and automobile electrification). Montego also initiated the offering of Montego Capital Fund 4, LTD ("Montego Fund 4") in Q1 2025, which raised approximately $17 million from subscribers. Following Montego's historic acquisition strategy, these two additional partnership structured programs acquired lease mineral rights and royalties within the Permian Basin and Haynesville/Bossier gas plays. Advantage Fund and Montego Fund 4 have paid average annualized distributions of 5.1% and 7.5%, respectively.

Following Montego Fund 3, Montego's primary program structure transitioned in 2018 from a partnership model to offering direct fractional interests. The change in structure was premised in substantial part upon the preferences among broker-dealers and investment advisors for products that can be used as replacement properties for subscribers with IRC §1031 like-kind transaction needs. These programs consist of approximately 25 direct title offerings, which have collectively raised about $400 million primarily from retail investors. We note that Montego's direct title program platform has had a stable following of selling group members since 2018, with the direct title program platform generally consisting of anywhere from five to seven funded programs per year and approximately $75-$100 million per year in annual raised capital (per Mick Law 2024-2025 annual oil and gas reports).

The PPM of the Wolf Fork Minerals, LLC reported cash on cash returns for 21 open direct title programs in pay status. These 21 programs collectively reported average annualized returns of 8.25% (and with two of the recent partnership structured programs, i.e., Advantage Fund and Montego Fund 4, reporting average annualized distributions of mid-single digits). We believe that Montego's prior performance record is competitive with other royalty program sponsors we have reviewed on a sponsor and program level basis over the past several years.

WhiteHawk Income Corp.

WIC is a sponsor of natural gas-focused mineral rights and royalty acquisition programs sold to retail investors. In 2022, WIC launched a private placement offering pertaining to its common shares under Rule 506(c) of Regulation D. Through May 2026, WIC raised $291.114 million through the offering of its common shares. Through May 2026, the common shares had paid approximately $41 million in dividends to its shareholders (on a 7.5% target dividend). On June 9, 2026, WIC initiated its public offering of the Common Shares (NYSE: WHK) at a price of $26.15 per share.

In addition to its common shares that now trade publicly, WIC began offering its Series B Preferred Shares in 2024 through a private placement conducted under Rule 506(c) of Regulation D. The preferred shares have a 10% target dividend, and through May 2026, approximately $3.8 million in dividends had been paid on the preferred shares.

Since 2002, and through its capital raising efforts, WIC has acquired mineral rights and royalties within 3.425 million gross acres and 17,348 net mineral acres across multiple major natural gas producing basins that include (i) Marcellus/Utica gas plays; (ii) Haynesville Shale gas play; and (iii) Oklahoma Anadarko Basin. The undeveloped assets within WIC's portfolio include 8,783 gross and 28 net undeveloped well locations for future drilling, including 430 undrilled locations that are positioned for drilling/development in the near future. Among WIC's operator companies include EQT (Marcellus/Utica), CNX (Marcellus/Utica), Range (Marcellus/Utica), Expand (Haynesville), Comstock Resources (Haynesville), Aethon Energy (Haynesville), Devon Energy (Mid-Continent), Validus Energy (Mid-Continent), and Continental Resources (Mid-Continent). Please note that a sponsor review of WhiteHawk Energy (Q2 2025) and program review of the WIC preferred shares (2025) are available.

Non-Operated Drilling

In 2025, our firm covered several program sponsors that syndicate non-operated drilling programs that are structured as limited partnerships. These sponsors collectively raised approximately $500 million last year, which included U.S. Energy (60-70% non-op), Waveland Energy Partners ("WEP"), Trellis Energy Partners ("TEP"), Texakoma Resource Partners ("TRP"), Purified Resource Partners ("PRP"), Eagle Eye Permian ("EEP"), and Resource Royalty (which offered a non-op program in late Q4 2025).

As a part of our analysis, we invited the non-op sponsors to provide us with information pertaining to their prior programs. We note, with respect to non-op programs, many of the sponsors above began their operations in earnest at various times in 2023-2025. As such, the prior performance information within the non-operated sponsor group sector is more limited.

U.S. Energy Development Co.

Acknowledging that U.S. Energy's drilling programs are a hybrid of both U.S. Energy operated and non-operated assets, we have chosen to discuss U.S. Energy's drilling program performance along with the operated sponsor group.

Waveland Energy Partners

WEP has been a sponsor of non-traded oil and gas investment programs within the retail investment channel since 2001. WEP has raised investor capital for non-operated working interests since 2018. Although its investment platform began as a diversified fund seeking both income and growth-oriented assets (i.e., with Waveland Resource Partners I, LP, or "WRP I") in 2009, it transitioned its capital deployment strategy in 2018 to focus its attention upon non-operated working interests. WEP utilizes two sub-advisors within its business to help support its acquisition process/activities, which include Trail Ridge Energy Partners (Grapevine, Texas) and Cirrus Oil & Gas Capital Management (Denver, Colorado).

Presently, WEP is offering limited partner interests in Waveland Bakken Holdings VIII ("WRP 8"), which was formed in 2025 to acquire non-operated working interests within the Williston Basin in North Dakota and the Permian Basin in New Mexico and west Texas. Among WEP's programs with significant positions in non-operated oil/gas wells include the following:

Program	Money Raised	Basin Focus	Percent Non-OP
WRP 4	$78,750,000	Bakken Shale	51%
WRP 5	$46,554,452	Bakken Shale	100%
WRP 6	$134,877,000	Bakken Shale	100%
WRP 7	$131,266,000	Bakken Shale	100%

In Q1 2025, WB Holdings ("WBH I"), an asset holding entity for multiple WEP-managed non-op programs, engaged the investment banking firm Stephens Inc. ("Stephens") to manage the divestiture of certain properties acquired in Montana and North Dakota. Stephens supervised the sale process and reached out to over 300 potential buyer leads. Initial "teasers" were sent to potential buyers, of which 45 signed non-disclosure agreements and were invited to review the details of the acquisition opportunity. Of the 45 prospective acquirers that evaluated the opportunity, 10 submitted bids for the purchase of WBH I's assets. The highest bid was submitted by Wellspring Energy Operating, which is backed by NGP Energy Partners (www.ngpenergy.com). Purchase agreements were executed for $77.3 million of WBH I's assets (which represented 61% of the original capital invested in the hold co.).

As a result of the sale, WRP 4's cumulative cash-on-cash return increased from 21.14% (pre-sale) to 61.3% (post-sale). Also, WRP 5's cumulative cash-on-cash return increased from 39% (pre-sale) to 97.8% (post-sale, which substantially returned capital to subscribers). The sale terms and resulting distributions were explained in a proposal memorandum provided to WRP 4's and WRP 5's investors in Q4 2025. WRP 4 and WRP 5 **both continue to own assets**, which should help to position them for economic returns. As to WRP 4, its remaining assets include a minority equity interest in DJR Resources/Enduring (which has grown to become a Top #100 Independent U.S. operator); whereas WRP 5's remaining asset includes its minority equity interest in Waveland Bakken Holdings 2. In discussions with WEP's management, it was suggested (but not promised) that a MOIC of 1.25-1.30 might serve as a reasonable expectation of future returns for the programs based upon the remaining assets. On this point; however, we mention (but do not guarantee) that the continuing presence of higher oil prices at $90-100 bbl could help present a measure of additional upside return beyond WEP's expectations.

We mention, with respect to WRP 6 and WRP 7, that both are pure non-op programs in which capital was used to acquire the non-operated working interests (which differs from the assets that were held in WRP 4 and WRP 5, which included mineral interests and working interests in several undeveloped properties). We also mention that both WRP 6 and WRP 7 are paying distributions at their targeted distribution rates (i.e., 12% per annum for WRP 6 and 10% per annum for WRP 7). Through May 2026, WRP 6 and WRP 7 have returned 48.7% and 24.6%, respectively. As such, we believe that WRP 6 and WRP 7 are positioned for respectable results.

Trellis Energy Partners

Founded in 2024, TEP focuses on energy investments that span the non-operated spectrum of minerals, leasing, development, and producing assets. The 2026 TEP non-op program is seeking $65 million to acquire non-operated oil/gas assets primarily in the development phase in U.S. onshore basins. The 2026 non-op program will largely target the DJ Basin, Permian Basin, and Haynesville Shale Play based upon existing relationships and data.

Previously, TEP, along with others, managed Split Rock Resources ("SRR") which was backed by a $100 million commitment from North Hudson Resource PartnersSRR deployed $85.75 million of equity and $53 million of debt investing in over 700 wells across Colorado, New Mexico, Texas, and Louisiana. The Trellis team wound down its administration of SRR in Q4 2024 after the sale of substantially all of its properties by November of 2024 for an aggregate total of $220 million in asset sales with distributions to investors totaling just over $300 million including cash flows and asset sales.

More recently, and with respect to retail financial activities, TEP syndicated and closed TEP Fund 2024 LP in December 2025, which raised approximately $22 million in capital. As the program closed in Q4 2025, revenue activities are early stage in nature.

Texakoma Resource Partners

Since 1982, TRP has established and grown its E&P business within multiple oil/gas plays in Texas, Colorado, Oklahoma, New Mexico, Pennsylvania, Mississippi, Utah, and Louisiana. TRP has been a sponsor of non-traded oil/gas programs within the retail investment channel since 1997 and has raised investor capital through its diversified non-op program since 2023. The TRP non-op partnerships focus on participating in horizontal drilling primarily in the central Oklahoma unconventional resource plays, including (i) the SCOOP Play, (ii) the STACK Play of the Anadarko Basin, as well as (iii) opportunities in the Bakken Shale in North Dakota.

Texakoma Resources Partners '23, LP ("TRP 23") raised $8.61 million in 2023. Through our report date, investors received a 51.21% cash-on-cash return exclusive of tax benefits. TRP 23 used its capital to acquire working interests in 38 wells, and the program's key operators are Continental Oil & Gas and MACH Natural Resources. Texakoma Resources Partners '24, LP ("TRP 24") raised $13.81 million in 2024, and through our report date, investors received a 25.26% cash-on-cash return exclusive of tax benefits. TRP 24's assets include working interests in 23 wells, and the program's key operators are Continental Oil & Gas and Validus Energy. Texakoma Resources Partners '25, LP raised $13.2 million in 2025. Distributions are anticipated to begin in June 2026.

Purified Resource Partners

PRP is an oil and gas sponsor that was formed to acquire non-operated working interests in oil/gas wells drilled by established operators in the STACK/SCOOP and Cherokee Shale Plays in central Oklahoma and the Bakken Shale Play in North Dakota. This program is considered a non-operated working interest focused program with a horizontal drilling focus.

PRP's management team, although recently formed, has significant E&P acquisition experience. PRP Bakken I was PRP's initial non-op program, which raised $12.43 million, called $9.32 million, and had returned 58% cash on cash on its called capital as of the 2026 Mick Law Energy & Global Alts Symposium (providing a good early result for this 2024 program). This program used its capital to acquire non-op interests in 36 wells, 33 of which are operated by Kraken Resources, and with three operated by Continental Oil & Gas. As of this report date, eight of the 36 wells have yet to be brought online and into pay status. We mention that the second PRP program ("PRP 2") has been somewhat slow in terms of getting out of the gate with funding momentum. However, the sponsor recently made a strategic hire within its capital markets team, which should help to improve funding momentum throughout the remainder of 2026.

Eagle Eye Permian

EEP was formed to acquire and own non-operating participation interests in oil and gas wells and leases in the continental United States, including, but not limited to, the Permian Basin, Eagle Ford, Haynesville, Utica, Uinta, Powder River, DJ Basin, Mid-Continent, and Marcellus Shale production areas, and to participate in the drilling and production of oil and gas in commercial quantities. Eagle Eye Funds, LLC was formed in 2023, and its first program was closed with a $30 million offering raise. EEP began its syndication of its second program, Eagle Eye Fund 2, LP, in Q1 2026. Although requested, performance information was not provided by the sponsor.

Resource Royalty, LLC.

In addition to its royalty program platform, Resource Royalty also syndicates a non-operated drilling program that is structured as a limited partnership. Resource Royalty's initial non-op drilling program is Resource Royalty Drilling Fund LP, which underwent due diligence in Q4 2025 and raised $420,000 for the initial program. The capital was used to acquire small minority working interests to three horizontal wells to be drilled by Upland Exploration within three Cherokee Shale Play in Oklahoma. The program closed in December 2025 and has paid distributions of $48,000 (11.43% of the capital invested) to date. Resource Royalty advised that it intends to offer a second non-op program this year.

Conclusion

Overall, we continue to see positive trends in the oil and gas programs our firm reviewed in 2025-2026. If you have any questions on any of the above prior performance, please contact Brad Updike.