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THE MICK MONTHLY

Energy Capital Snapshot

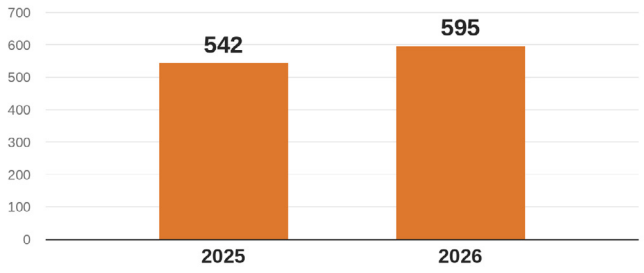
Record U.S. production, rising LNG exports and stronger drilling activity are reshaping the backdrop for retail E&P programs

By Brad Updike, Director, Mick Law

The U.S. energy market looks different today than it did a year ago. As of September 18, the U.S. rig count stood at 595, up 53 rigs from the same period in 2025, according to Baker Hughes. The U.S. Energy Information Administration also expects domestic crude oil production to average a record 13.8 million barrels per day in 2026, surpassing the record set last year.

U.S. Rig Count

Week of Sept. 18: 2025 vs. 2026



Up 53 rigs year over year

Source: Baker Hughes, Rig Count Overview & Summary Count, September 18, 2026.

Natural gas is increasingly central to the story. U.S. liquefied natural gas (LNG) exports averaged 17.4 billion cubic feet per day during the first half of 2026, up 23% from the same period in 2025, according to EIA. Export capacity additions from new terminals and expansions at existing facilities helped drive the increase, and EIA expects exports to remain near that level through the second half of the year before rising again in 2027.

At the same time, U.S. electricity demand continues to grow. In its September Short-Term Energy Outlook, EIA projects record electricity consumption in 2026 and additional growth in 2027, with data center development and increased manufacturing activity among the drivers.

Those trends are creating a changing backdrop for the private oil and gas programs distributed through the retail investment channel.

Mick Law groups the retail oil and gas programs it reviews into four broad categories based on capital deployment strategy. These include operated drilling, qualified opportunity funds, mineral and royalty programs, and non-operated drilling. The categories differ considerably in structure and risk, but activity across the group shows a market that has continued to broaden.

In 2025, 18 upstream sponsors covered by Mick Law raised approximately $2.02 billion across 38 private oil and gas programs, more than 40% above the prior year and the highest annual capital raise in the firm's tracking to date. Most of that capital was directed toward operated and non-operated drilling, while

royalty and other energy programs also remained active.

Non-operated drilling has also expanded within the retail channel. Sponsors covered by Mick Law raised approximately $500 million for non-operated drilling programs in 2025, meaning capital formation has developed more quickly than long-term performance histories in some cases.

Stronger drilling activity, record production and changing commodity conditions can affect the operating environment, but they do not eliminate differences among sponsors, asset quality or program structures. Newer entrants may have experienced management teams or established acquisition pipelines while still lacking the multiyear program-level histories available from more established sponsors.

Natural gas-focused strategies are also receiving increased attention. The growth in LNG exports is creating an additional source of demand at the same time that electricity consumption is climbing. Those themes are already visible within the programs Mick Law reviews, with drilling, mineral and royalty strategies incorporating exposure to gas-heavy basins and, in some cases, acquisition theses tied to LNG exports, data center demand and broader electrification trends.

The acquisition market provides another piece of the picture. Enverus Intelligence Research reported that U.S. upstream M&A totaled $9.1 billion during the second quarter of 2026. While that was one of the lower quarterly totals in recent years, Enverus found continued competition for assets and participation from private buyers. Buyers using asset-backed securitization capital accounted for nearly 30% of asset-level deal flow for the second consecutive quarter.

For retail energy sponsors, that broader capital environment matters on both sides of the transaction. Competition for assets can affect acquisition pricing, while the breadth of buyer universe can affect potential exit options for mature holdings.

Taken together, the current picture is one of record U.S. oil production, stronger drilling activity, expanding LNG exports, growing electricity demand and continued capital formation across the retail E&P market. But favorable market conditions do not affect all programs equally.

Tax advantages, targeted distribution rates and favorable commodity trends can all influence an offering's economics. None substitutes for underwriting the sponsor, the assets, the capital structure and the assumptions behind the program. As retail energy offerings continue to broaden, differences among sponsors and programs remain important to the underwriting process.

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15th Annual Mick Law Real Estate Symposium Returns to Tempe

Mick Law will host its 15th Annual Real Estate Symposium October 18-20 in Tempe, Arizona, bringing together due diligence professionals and a select group of investment sponsors for three days focused on real estate securities due diligence.

The Symposium is intentionally designed as a focused due diligence and educational event, bringing together due diligence professionals with a select group of investment sponsors to examine investment programs, hear directly from sponsors and engage with members of Mick Law's real estate securities team. That approach has been central to the symposium since its inception.

Educational programming will address issues currently shaping real estate securities, including current developments in the securitized 1031 and 721 space and "Looking Forward: Debt Financing Considerations in 2027." The program will also provide attendees with insight into Mick Law's due diligence and underwriting work, with additional discussion touching on the evolving intersection of real estate and other tax-advantaged investment structures.

Interested in participating in a future Mick Law Symposium?

Contact Zia Sabir at zsabir@micklawpc.com.

500+

CLIENTS NATIONWIDE

DID YOU KNOW?

Mick Law P.C. has provided third-party due diligence since 2005 and serves 500+ BDs, RIAs, family offices and institutional investors nationwide.

Employee Spotlight: Kyla Ehrisman

Four German Shepherd Dogs. Two cross country rescue road trips. 98 books read this year. Meet Senior Associate Kyla Ehrisman.

Kyla Ehrisman has spent more than a decade at Mick Law building experience across real estate, qualified opportunity zone funds and oil and gas matters.

Her experience with QOFs began shortly after legislation was passed in December 2017, when an initial research assignment grew into published articles and several years of reviewing QOF matters for the firm. Since then, she's balanced her time between real estate and oil and gas work.

> "Every day, and every opinion I write, is a little different, which keeps it interesting."

Kyla enjoys the range of work her role brings and the fact that each matter presents something a little different. She also values attending and speaking at industry conferences, where she has the opportunity to meet clients and industry contacts she often works with by phone or email.

Outside of work, Kyla enjoys hiking, running, cooking, baking, reading and traveling. She has four German Shepherds, has read 98 books so far this year and is planning a January trip to Peru with her dad. A University of Nebraska-Lincoln graduate, she is also a loyal Nebraska Cornhuskers fan.

Kyla's love of dogs extends beyond her own four. She co-founded a local dog rescue 11 years ago and has made some memorable trips on its behalf, including twice flying to Los Angeles, renting the biggest vehicle she could find and driving home with as many rescue dogs as she could bring back.

Kyla Ehrisman
Senior Associate

FAST FACTS

AT MICK LAW SINCE
2014

CURRENT FOCUS
Real estate and oil and gas

JD AND MBA
Creighton University

FOUR-LEGGED FAMILY
Four German Shepherds

BOOKS READ THIS YEAR
98 and counting

NEXT TRIP
Peru with her dad

FAVORITE TEAM
Nebraska Cornhuskers

SOMETHING YOU MIGHT NOT KNOW
Co-founded a local dog rescue 11 years ago

Recent Opinions

Carlton at Greenbrier DST

DST • 9/23/2026

Chestnut Cove Partners, LLC

Real Estate • 9/10/2026

NLC Florida Healthcare Sciences DST

DST • 9/9/2026

Inland MN Medical Apartments Development, LLC

Real Estate • 9/2/2026

Madison Equipment Fund, LLC

Real Estate • 8/31/2026

Meridian Capital Solutions, LLC

Sponsor • 8/28/2026

Upcoming Events

ADISA ANNUAL CONFERENCE & TRADE SHOW | October 5-7, 2026, Las Vegas, NV

Featuring **Bryan Mick** in

Ask the Attorneys

Tuesday at 11:25 am

Featuring **David Sengstock** in

Red Flags & Green Lights: Inside Due Diligence

Tuesday at 1:30 pm

Featuring **Brad Updike** in

Oil & Gas 201: Evaluating Risk and Return in Non-Traded Programs

Tuesday at 3:55 pm

Interested in setting up a meeting at the conference? Reach out to **Zia Sabir** at zsabir@micklawpc.com.

MICK LAW REAL ESTATE SYMPOSIUM

October 18-20, 2026, Tempe, AZ

Attendance at the real estate symposium is by invitation only. If you are interested in attending or participating, please email **David Sengstock** at dsengstock@micklawpc.com.

QUESTIONS?

For questions regarding sponsor opinions, or for all other inquiries, kindly contact **David Sengstock**, president, at dsengstock@micklawpc.com, or **Zia Sabir**, vice president, at zsabir@micklawpc.com.