



LOCKE FUNDS





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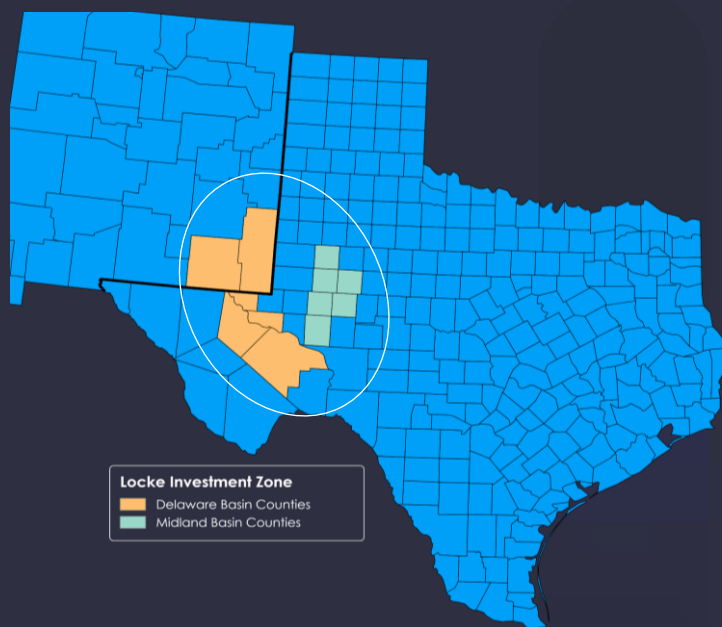
What is a Non-Operated Working Interest?

Non-Operated assets represent an investment in leasehold of mineral assets. Owning the leasehold rights of a mineral asset grants the investor the opportunity to directly provide equity to develop and explore for Oil, Natural Gas, or other natural resources. These investment opportunities place investors on the exploration side of the industry, receiving cash flow from larger revenue pools when the operator of the well sells the recovered hydrocarbons.

Tax Implications

Investing directly in hydrocarbon wells has various tax advantages that every investor should consult their tax professional on. Depletion of the resources is just one advantage of investing that is a deduction against the revenue from a well. Additionally, much of the capital expenditure needed to physically drill the well is tax deductible. This capital expenditure deduction benefit became even more attractive with the Tax Cuts and Jobs Act of 2017, which accelerated some deductions via bonus depreciation.

It is not uncommon to see tax deductions in Non-Operating Working Interest Funds amount to 50% - 75% of your total investment in the first year of activity. Furthermore, these tax deductions could offset both active and passive income depending on how an investor elects to participate in the fund.



Targeted Non-Operated Funds

Locke Capital periodically raises funds to participate in the drilling of new oil and gas wells. Locke's investment funds have targeted specific plays, contributing equity to specific development projects. These funds look to deliver large tax deductions, along with strong cash flows, to investors. To best fit investors to their needs, Locke offers various participation paths to its funds.



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