



WATCHMEN
ENERGY LLC

Ownership Comparison



Comparison of Cash Flow Distribution by Ownership Type

	Oil & Gas	Real Estate
	Royalty Owner (aka Royalty Interest)	Land Owner
Receives Monthly Revenue Check?	YES - share of oil & gas sold	YES - lease payment
Receives Monthly Management Fee?	NO	NO
Pays Monthly Royalty Check?	NO	NO
Pays Monthly Management Fee?	NO	NO
Pays Monthly Operating Costs?	NO	NO

Comparison of Cash Flow Distribution by Ownership Type

	Oil & Gas	Real Estate
	Operator (aka Operating Interest)	Retail Store General Partner
Receives Monthly Revenue Check?	YES - share of oil & gas sold	YES - share of sales
Receives Monthly Management Fee?	YES - from Non-Operators	YES - from Limited Partners
Pays Monthly Royalty Check?	YES - to Royalty Owner	YES - lease payment
Pays Monthly Management Fee?	NO	NO
Pays Monthly Operating Costs?	YES - its share	YES - its share

Comparison of Cash Flow Distribution by Ownership Type

	Oil & Gas	Real Estate
	Non-Operator (aka Non-Operating Interest)	Retail Store Limited Partner
Receives Monthly Revenue Check?	YES - share of oil & gas sold	YES - share of sales
Receives Monthly Management Fee?	NO	NO
Pays Monthly Royalty Check?	YES - to Royalty Owner	YES - lease payment
Pays Monthly Management Fee?	YES - to Operator	YES - to General Partner
Pays Monthly Operating Costs?	YES - its share	YES - its share