

USED 2023 Corporate Highlights

Founded in 1980, U.S. Energy Development Corporation (U.S. Energy) is a privately held exploration and production (E&P) firm that manages investments on behalf of itself and its partners. For more than four decades, U.S. Energy has blended operational and financial innovation with a forward-looking approach.

Headquartered in the Dallas Fort Worth Metroplex, U.S. Energy earned an ISO 14001:2015 certification for its environmental management system. U.S. Energy has invested in, operated and/or drilled more than 4,000 wells in 13 states and Canada and deployed more than \$2.4 billion on behalf of its partners. For more information, please visit usedc.com and follow U.S. Energy on LinkedIn.



One Firm. Multiple Investment Solutions.

Qualified Opportunity Zones (QOZs):

5-Year Capital Gains Deferral =
Tax-Free Loan

Tax Free Income due to
Depletion & Depreciation

Cashflow in excess of the
distribution schedule is reinvested,
providing compounded returns
(3-4x) for a higher growth and
back-end return potential which
is tax free.

Pay \$0 taxes on capital gains the
QOZ Fund generates by holding the
investment for 10 or more years.

Drilling Funds

Upfront Tax Deduction of up to 92%
with Tax Advantaged Investor
Distributions

We Joint Venture with world class
operators (publicly traded majors)
and operate approximately 25% of
the portfolio when we have a
strategic advantage

Focused on acquiring assets in the
Permian Basin where we've
experienced some of the best
performance in our company's 40
year history, with a substantial
amount of our recent wells reaching
100% payout within 12 - 18 months

Customized 1031x's

Cash flow from multiple producing
wells and undeveloped acreage
for potential future production can
alleviate the risk of owning a single
property or being over-concentrated
in traditional real estate.

The minerals do not have debt,
potentially allowing those that do
not offset debt from their original
property to utilize the exchange as
an additional tax planning tool


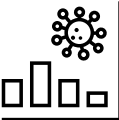

15% of royalty income is shielded
from tax regardless of the
carry-over basis from the
previous property

This summary is for preliminary review purposes only and does not contain much of the information, which will be included in the private placement memorandum pursuant to which the offering will be conducted. This brochure does not constitute an offer to any person. Offers will be made only by the private placement memorandum, which should be carefully reviewed by a prospective purchaser prior to making an investment decision. The equipment pictured in this brochure will not be owned by the USED 2022 Drilling Fund LP Partnership. The USED 2022 Drilling Fund LP is sponsored by U.S. Energy Development Corporation. Westmoreland Capital Corporation, an affiliate of U.S. Energy, (Member: FINRA CRD 11469), is the dealer manager for the U.S. Energy offerings. Securities offered through Westmoreland Capital Corporation member FINRA/SIPC, 1521 North Cooper Street, Suite 400, Arlington, TX 76011

Understanding Different Oil & Gas Direct Investments

Determining which investment structure best aligns with your goals is critical to achieving the results you set out to accomplish.

The following chart is provided to aid in your understanding of the difference between U.S. Energy's 2022 direct investment structures which includes three types of funds; Opportunity Zone Fund, Drilling Fund, and Mineral Exchange Fund (1031 Exchange):

	1031 Exchange	Opportunity Zones	Drilling Funds
 Energy Sector Exposure:			
Energy Sector Exposure Outside Of Traditional Equities	✓	✓	✓
Diversified Asset Exposure (Producing Wells, Infrastructure, Royalties, Etc)	✓	✓	✗
Multi-Asset Ownership / Tier 1 + Projects	✓	✓	✓
Investment Strategies:			
 Tax Sheltered Income	✓	✓	✓
Ordinary Income Deductions & Potential Investment Strategies	✗	✗	✓
Opportunity Zone Benefits For Clients With Capital Gains	✗	✓	✗
Available for Retirement Accounts (Not Subject to UBTI)	✗	✗	✓
Investor Goals:			
 Income Potential	✓	✓	✓
Growth Potential (through Development/Reinvestment)	✓	✓	✗
Total Return (ROI) Focused	✓	✓	✗
Internal Rate of Return (IRR) Focused	✓	✗	✓

USED C 2023 Drilling Fund LP:

The USED C 2023 Drilling Fund LP will participate in the drilling of developmental wells which are intended to provide significant upfront or long-term tax benefits, depending on the investment unit you choose. The fund intends to generate cash flow from operations, a portion of which will be tax advantaged as a result of Depletion, Depreciation and/or Qualified Business Income Deductions.

- 2022 Drilling Fund Offering *Sold Out!*
- 3rd Party CPA Analysis Available
- Liquidity

Project Breakdown:

Working Interest in 4 new horizontal oil wells joint venturing with Major E&P Company

Investment	~\$8 Million
Location	Eddy County, NM

2023 Acquisition Example: Delaware Basin Delaware Project 1



Economic Modeling (Net to Investors):

Payout (Years)	4.0
Return on Investment (ROI)	1.5x
Internal Rate of Return (IRR)	16%

Recent Fund Performance (As of 3/31/2023)

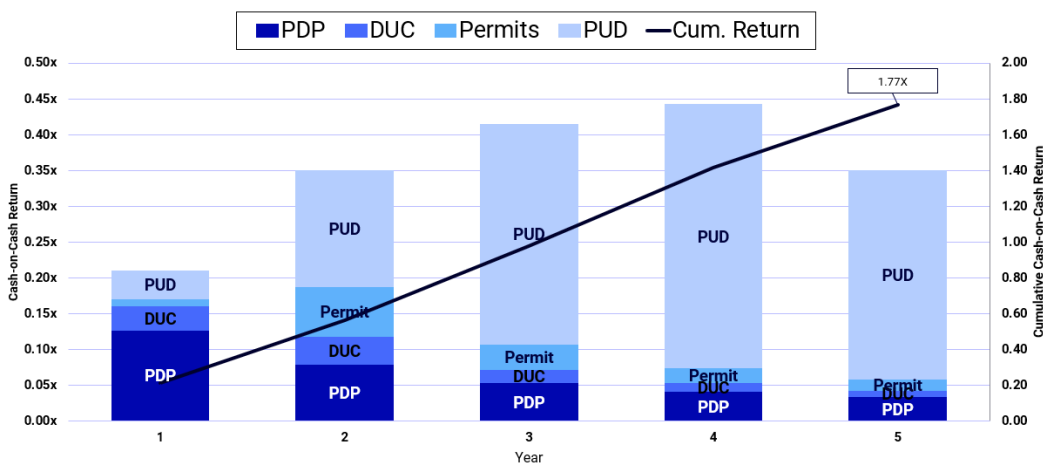
Program Year	Fund Size	First Distribution	12-Month Return	Cash on Cash Return	Cumulative Cash & Tax Benefits Distributions
2019	\$74,196,045	Q4 2020	29.61%	62.32%	105.72%
2020	\$62,384,000	Q2 2021	42.70%	72.68%	118.59%
2021	\$112,188,000	Q1 2022	25.38%	25.38%	68.26%
2022	\$269,117,645	Q1 2023	1.0%	1.0%	41.90%

USED C Mineral Exchange I LLC Fund (1031X):

The USED C Mineral Exchange I LLC is a direct title investment into mineral interests. Each owner will own a pro rata share of multiple mineral interests in numerous basins, and potentially many states.

Asset Breakdown and Economic Projections - Tranche Two

PDP = Currently Producing | DUC = Drilled But Uncompleted | PUD = Long-term Development



Offering Size: \$100 Million (Broken into Multiple Tranches \$5 - \$30M)
Investor Units: Direct Title to Each Land Tract
Closing Date: Frequent Closing Unique to Each Investment and Tranche
Investment Objectives: Royalty Income, Tax Advantaged Income, 15% Depletion Allowance
Suitability: Accredited Investors Only

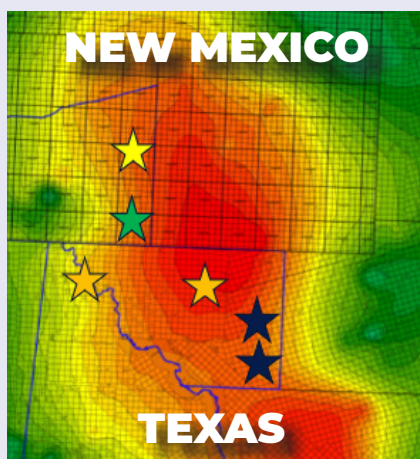
Tranche Two - Basin Exposure

Permian Basin | 36% - Haynesville Shale | 7% - Anadarko Basin | 44% - Appalachia Basin | 13%

USED C Qualified Opportunity Zone Fund II LP:

U.S. Energy's Opportunity Zone Funds focus on acquisitions in the Permian Basin, the most prolific oil basin in the U.S., with a large opportunity zone overlay. USED C is having tremendous success in the Permian Basin, with several projects paying out more than 100% in just 8-15 months! We will continue to build upon that success in our third Opportunity Zone Fund.

- U.S. Energy's 3rd Opportunity Zone Offering will be Available at the End of Q3!
- Capital Gains Tax Deferral and Reduction
- Cash Distributions
- Passive Income Generation
- Liquidity
- Depreciation Tax Deductions
- Acquisitions



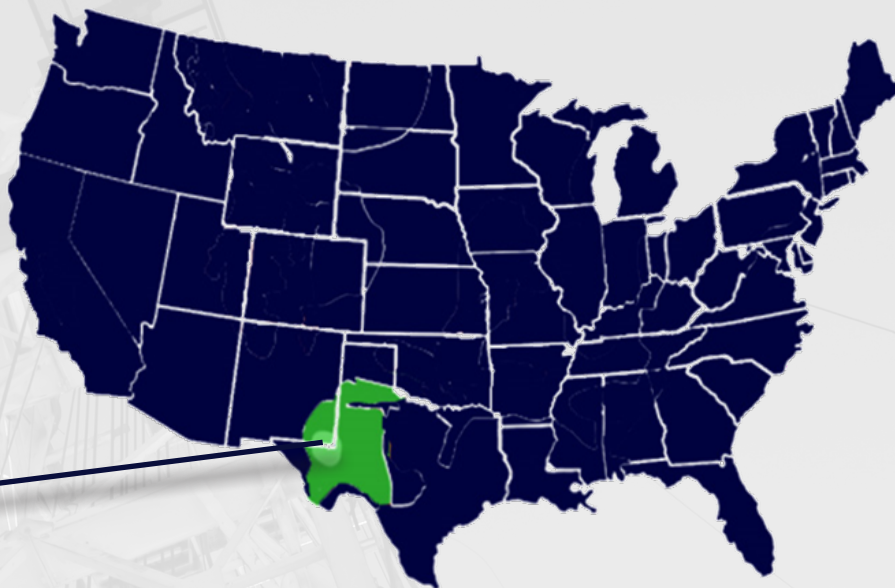
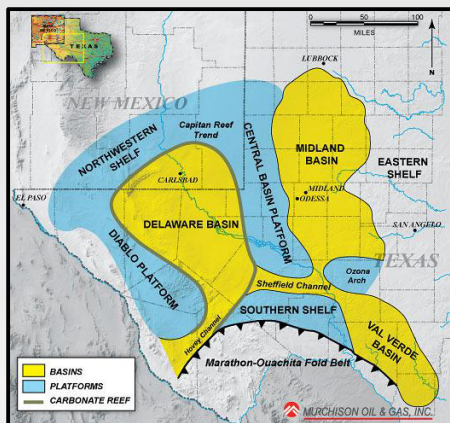
Permian O-Zone Development

- ★ Major E&P Operator - Eddy County
 - Poker Lake
- ★ Major E&P Operator - Eddy County
 - Snapping State
- ★ Major E&P Operator - Loving County
 - Columbia
 - University 19
- ★ Major E&P Operator - Loving/Reeves
 - Goldeneye
 - Beaver & Nutria

Recent Performance (As of 3/31/2023)

Fund	Fund Size	Initial Distribution Date	Quarterly Distributions	Total Net Revenue Since Inception	Investor Distributions To Date:	Amount To Be Reinvested:
2019 QOZ Fund	\$18.3 Million	Mid-October 2020	10	\$9,741,778	20.27%	\$2,697,563
QOZ Fund I LP	\$89.5 Million	August 2021	8	\$16,100,422	11.0%	\$11,971,747

U.S. Energy's Primary Focus Area for Acquisitions: Permian Basin



- Opportunity Zone Investment Potential
- Strong Economics
- Joint Venture with Major E&P's

Performance Is The Key to Direct Energy Investment Success!

High Energy Prices are the "Cherry on Top"



Asset Performance is the Key to Successful Energy Investments

See the most recent U.S. Energy Permian Basin Performance Results (As of 3/31/2023)

Partnership Year	Permian Investor Capital Expenditure (1)	Wells Contributing To Distributions	Average Number Of Months Distributing (2)	Cash on Cash Return To Date (2)	Cumulative Tax Savings To Date (3)	% Of Cash And Tax Savings To Date
2019	\$42,179,652	12	16	102.60%	49.51%	152.20%
2020	\$52,900,303	21	13	117.10%	47.60%	164.70%
2021	\$75,098,220 (4)	29	10	57.10%	42.25%	99.30%
	\$170,178,175	62				

(1) Represents capital deployed and any remaining capital to-be-deployed in the Permian Basin. Permian capital expenditure as a percent of total capital raise - 2019: 62%, 2020: 83%, 2021: 85%

(2) Cash-On-Cash Return is calculated as follows: Total investor return divided by the partnership capital spent as of the day of this report, and only includes the cash returns net to the investor.

(3) The tax rate includes the maximum federal rate plus the average state income tax rate of 6.57% based on the tax rate of those states that have state income tax. Depreciation was applied using an estimated five year recovery period (straight-line) for wells that were allocated tangible well equipment.

(4) Includes only producing capital, 2021 is ~85% Permian Basin Assets

U.S. ENERGY[®] Development Corporation

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