Ascent Wealth
STRATEGIES

FOR OWNERS NETTING $2 MILLION OR MORE

The Revenue-Protection Guide for *Oil & Gas Owners*

The deductions end at the wellhead; the income doesn't. This guide starts where IDCs and depletion stop: the structures that decide how much of a strong year you actually keep.

BEFORE YOU START

Read this first

This guide is written for owners in the oil and gas business netting $2 million or more a year, and it makes an assumption most guides won't: you already know the basics of your own industry's tax treatment.

If you hold working interests, you know about intangible drilling costs. If you collect royalties, you know about percentage depletion. If you run a fuel distribution or oilfield services company, you know about bonus depreciation on equipment. We are not going to waste your ten minutes re-explaining deductions your CPA handled correctly years ago. More than one energy owner has told us, verbatim, "I know most of the ones you're mentioning anyway." Fair. This guide starts where those end.

Because here is the pattern we see across energy businesses: the deductions end at the wellhead, but the income doesn't. IDCs shelter the year you drill, depletion covers a slice of the checks, and depreciation front-loads the year you buy iron. Then a strong price year arrives, the drilling program pauses, the equipment is written off, and suddenly you are wiring seven figures to the IRS out of income nothing is sheltering. The industry's built-in deductions are front-loaded; your income is not. Almost everything in this guide is about that mismatch.

Whether you are an operator, a non-operated working interest and mineral owner, a midstream marketer, a distributor, or an oilfield services company, the strategies here sit inside the Internal Revenue Code and survive scrutiny when implemented for their real purpose. Where a strategy has attracted IRS attention, we say so plainly.

One calibration note. Our clients net between $2 million and $50 million a year. Everything in this guide starts working at $2 million, and most of it keeps scaling well past $20 million. If you are north of $5 million, read page 14 before anything else; it was written for you.

One more thing. None of this is a criticism of your CPA. Compliance and planning are different jobs, and our job is to work with your CPA, not replace them. Planning is a different discipline with a different calendar, and it is nobody's job until you assign it to someone.

THE FRAME

Why owners at your level overpay: the compliance ceiling

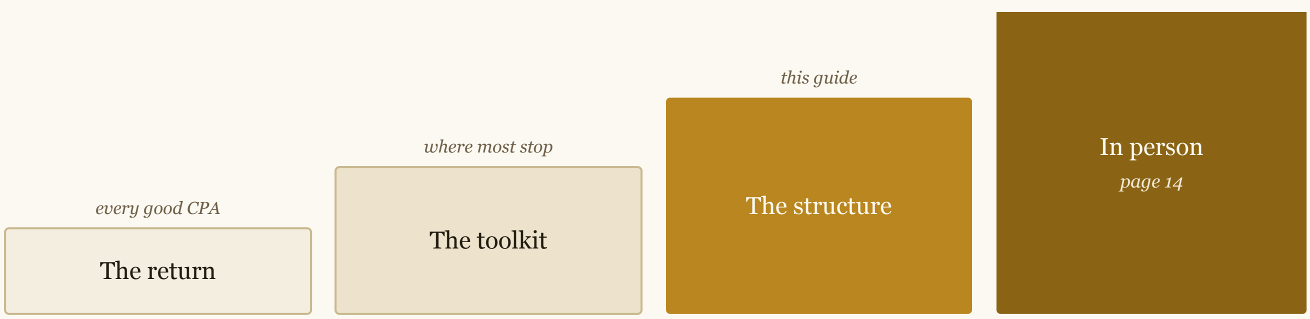
Ask a room of energy owners netting $2 million-plus who handles their tax planning and most will name their CPA. Ask what that planning consisted of last year, and the honest answer is usually: the K-1s went out on time, the IDCs got taken, and somebody suggested buying trucks in December.

Nobody failed there. There is just a ceiling on what the compliance relationship was set up to do. Tax work comes in three altitudes:

The return. Clean books across your entities, accurate K-1s, correct severance and ad valorem handling. This is compliance. Every competent CPA delivers it.

The toolkit. IDCs, percentage depletion, bonus depreciation, cost recovery on leasehold, marginal well credits when prices trigger them. Good energy CPAs get here, and if yours has, keep them. This is also where the relationship almost always plateaus, because everything above this line stops being tax preparation and starts being engineering: work that happens mid-year, involves lawyers and actuaries and plan administrators, and never shows up as a line on the return itself.

The structure. Entity architecture across revenue types, retirement design that survives the controlled-group rules, formalized self-insurance, income timing across price cycles, exit-ready design. This is where owners at your level separate from the pack. Nobody owns it by default, which is why it goes undone even at companies with excellent CPAs. That layer is what this guide is about.



Three altitudes of tax work, and a fourth this guide only points to (page 14).

LEAK NO. 1 · THE CYCLE

You plan in boom years, and boom years are the worst time to plan

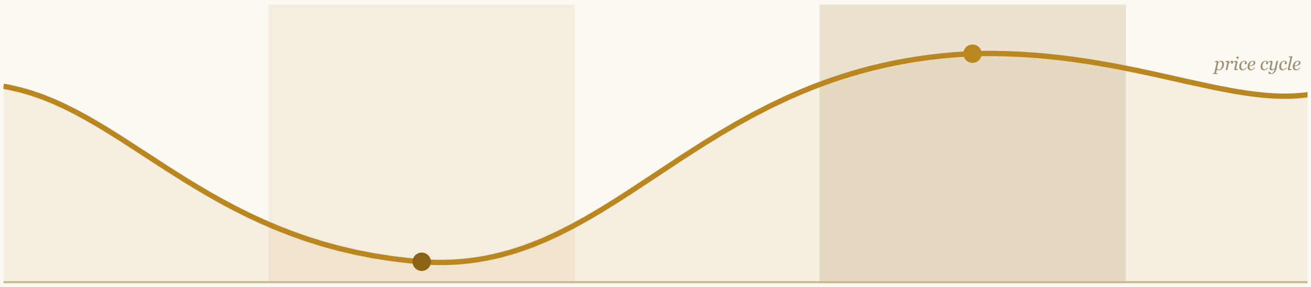
Oil and gas income is the lumpiest in American business. $65 oil and $95 oil are different companies. The tax code, meanwhile, is full of tools that work best when exercised at specific points in the cycle, and almost everyone reaches for them at the wrong one. What cycle-aware planning looks like:

— **Down years are structuring years.** The moment to move minerals, non-operated interests, or company equity into trusts or family entities is when the strip is ugly and appraisals are depressed. Value moved at $55 oil appreciates outside your estate at $85. Wait for the boom and you gift at the top, wasting exemption.

— **Big-income years are harvesting years.** A price spike with no drilling program to absorb it is when structures built in advance earn their keep: reserves funded, plans maxed, income positioned into entities taxed on a different schedule. Building the structure in the same year you need it is possible, but you are negotiating with a deadline, and everything gets worse with a deadline.

— **Flat years are maintenance years.** Census refresh, salary calibration, beneficiary and title cleanup, coverage testing. The unglamorous mid-cycle work is what makes the next spike cheap to handle and the next downturn useful.

> *$55 oil is a terrible year for the checks and the best year for the paperwork.*



The two moments cycle-aware planning is built around. Most owners do both backwards.

— **The working interest exception is a cycle tool.** Losses from working interests held directly (not through an entity that limits your liability) are non-passive by statute. In a drilling year, those losses offset your other active income without the passive-loss quarantine most investors live under. Owners who structure holdings without that rule in view often trap six-figure losses they could have used.

One more cycle lever: prepaid drilling. Prepaid IDCs can pull next year's drilling deductions into this year's price spike when the contract is binding and the work follows on schedule. It is a timing tool with rules attached, and it works once per dollar, so it belongs in the plan rather than in a December scramble.

WHAT IT'S WORTH

The difference between a structured high-price year and an unstructured one, for an owner netting $3-5M, is typically mid six figures in that single year. Across a cycle, more. Past $10 million, the swing is proportionally larger.

YOU LIKELY HAVE THIS LEAK IF

Your tax bill tripled in your best recent year and your CPA's answer was to raise your quarterly estimates.

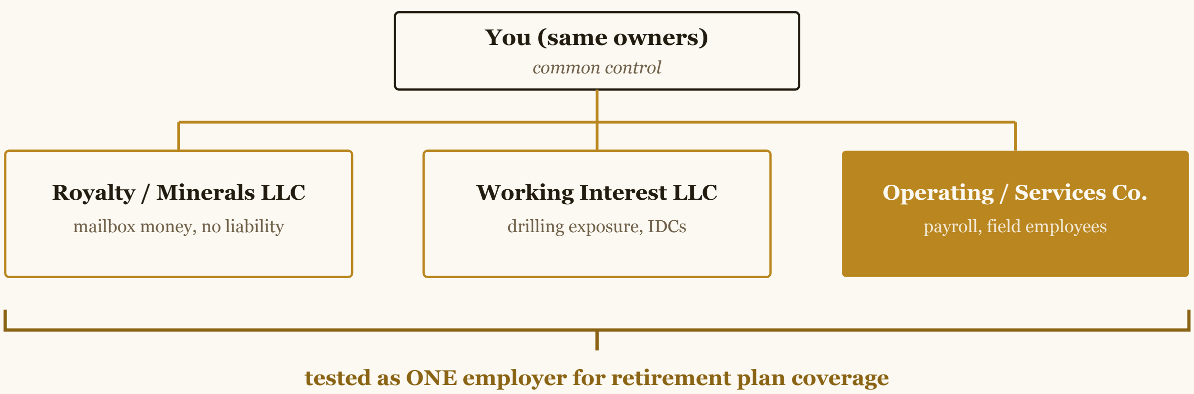
LEAK NO. 2 · ENTITIES

Separate entities, one employer, and two traps your CPA may be sitting in

Sophisticated energy owners usually get the first move right: royalties in one entity, working interests in another, leases or services in a third, so that liability from operations never touches the mailbox money, and each stream's tax character is managed on its own terms. If you have done that, good. Here are the two problems we find in the next layer, both live issues we have pulled off of real balance sheets.

> ## *One employer*
> how the retirement plan rules read your commonly-controlled entities, no matter how many LLCs the liability planning created. The diagram below is the part the plan salesman never draws.

The fix is rarely unwinding the liability structure. It is designing the retirement plan around the true, combined census, using the carve-outs the rules allow, and getting the coverage testing on paper before someone else asks for it.



The structure that protects your liability does not separate your retirement plan obligations. That bracket is the trap.

The controlled-group retirement trap. If you own, or you and the same partners own, multiple entities (the operating company, the services company, the office S corp), the retirement plan rules treat them as one employer. A cash balance plan set up for the owners' entity while the commonly-controlled operator's field employees are excluded is not a clever design; it is a disqualification risk with back-tax exposure, and it is being sold to energy owners every week by people who never asked who else you own. We have seen an owner's own auditors flag it years after the fact. If you have a defined benefit or cash balance plan and more than one entity, the coverage testing across all of them needs to be on paper.

> *$250,000–$450,000*
>
> what an owner in his 50s can still direct pre-tax, per year, when the plan is designed on the real census instead of around it. The point is a design that holds up when someone looks.

The allocation conflict. IDC and TDC allocations, prepay timing, and expense placement across commonly-controlled entities involve judgment calls every year. When one CPA serves the partnership, the operator, and the individual partners, every one of those judgment calls has a quiet conflict of interest inside it, and the partner with the least attention usually funds the difference. If your K-1's preparer answers to your partners, someone independent should be reading it for you. More than one owner has told us some version of "her goal is not to benefit me; it is to benefit the people who pay her." That sentence is worth an annual second opinion.

YOU LIKELY HAVE THIS LEAK IF

You have a cash balance plan and more than one entity, or your personal return is prepared by the same office that prepares your partnership's.

LEAK NO. 3 · RETIREMENT

Thirty years of reinvesting in the business, $50k in the IRA

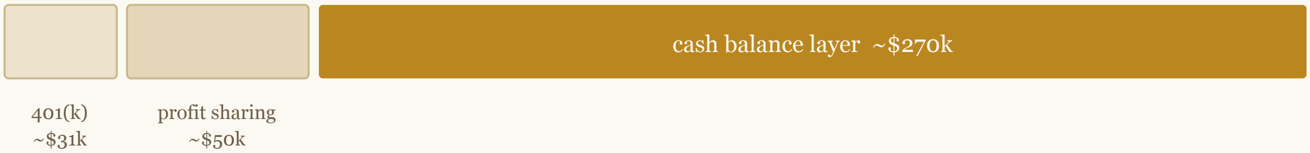
Energy owners are chronically under-saved outside the business, and for a rational reason: the wells, the trucks, and the next deal out-earned any brokerage account. But it produces a specific end-state we meet all the time: a 59-year-old owner worth $15 million on paper whose actual retirement account holds less than one good month's revenue, everything else tied up in the company and the ground.

The code's answer is plan stacking: a properly designed 401(k) and profit-sharing base with a cash balance or defined benefit layer on top. These plans are age-weighted by design; they exist to let an owner who spent three decades reinvesting catch up fast. An owner in his late 50s can typically direct $250,000 to $450,000 per year pre-tax, more with a spouse legitimately on payroll, and the math frequently works even with a field workforce, because testing runs on your actual census: union employees are generally excludable, and a small office staff alongside a larger field crew often supports far more owner-side room than anyone assumed. (See Leak 2: the same design must survive controlled-group testing across everything you own. Both statements are true, and the order of operations matters.)

And if the current plan is a SEP or a SIMPLE, that is usually the first thing to replace. Both cap out long before the numbers above, and the upgrade is administrative rather than painful.

> *The wells out-earned the brokerage account for thirty years. The catch-up rules were written for exactly that owner.*

What stacking looks like at age 55 *(illustration)*



Total: roughly $350,000 per year, pre-tax, owner-directed.

Actual capacity depends on age, census, and compensation design. A younger owner sees less; a 60-year-old often sees more.

Two industry-specific notes. First, the reserves inside these plans sit outside the business and outside most creditor claims, which in a liability-heavy industry is worth nearly as much as the deduction. Second, for owners running lumpy income, cash balance contributions are one of the few large, adjustable, deductible numbers you can tune to the year you are having.

Setting one up is less exotic than it sounds. An actuary designs the formula against your census, the plan files with the IRS like any other qualified plan, and contribution levels get set with enough room to move with the strip. It runs alongside the 401(k) you already sponsor, and nobody in the field notices a change.

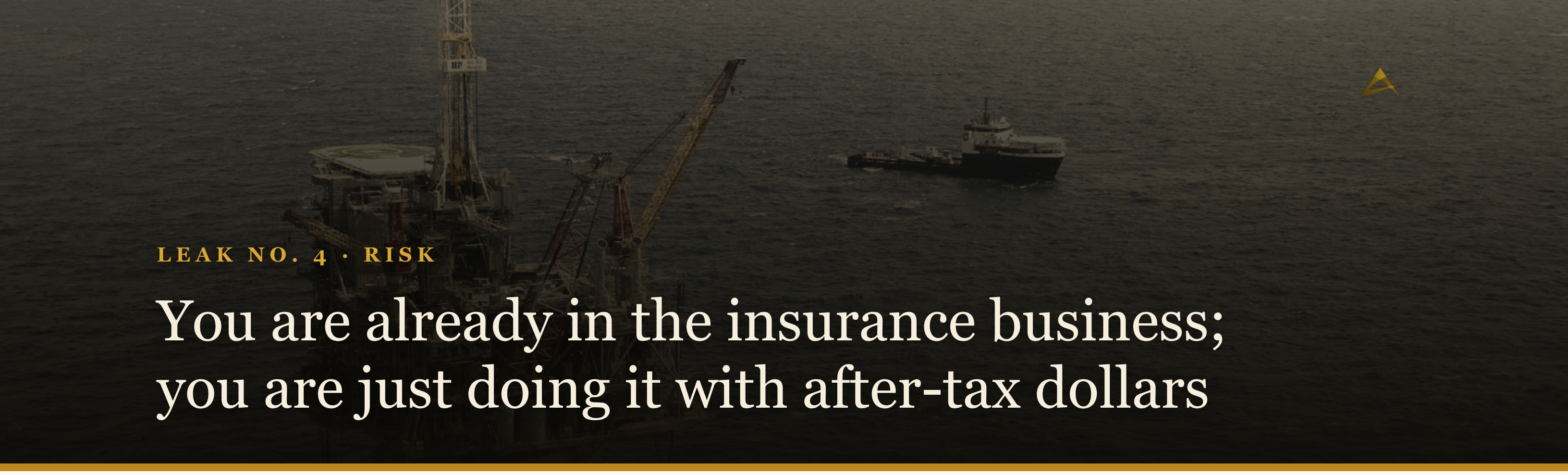
WHAT IT'S WORTH

$350k/year pre-tax at a 40%+ combined marginal rate is roughly $140k a year retained, into an asset that is yours regardless of what the strip does.

> *The one large deduction you can size to the year you are having.*

YOU LIKELY HAVE THIS LEAK IF

You are over 50 and your retirement accounts hold less than one year of your income.



LEAK NO. 4 · RISK

You are already in the insurance business; you are just doing it with after-tax dollars

Walk your risk register: pollution and spill exposure your carriers cap or exclude, downhole equipment loss, a key operator or purchaser relationship, regulatory change that strands a yard full of iron, weather that shuts in production, the contract that is 60% of your services revenue. You carry those risks today, and when one lands, you pay for it out of profit that was already taxed.

A properly structured captive insurance company formalizes this. Your operating companies pay real, actuarially priced premiums to an insurance subsidiary you own; it underwrites the specific risks your commercial program excludes, accumulates reserves, and pays claims. Under Section 831(b), a small captive can receive just under $3 million a year in premiums (2026 indexing) taxed only on investment income, with premiums deductible to the operating companies when the arrangement is genuine insurance.

RISK YOU CARRY TODAY	COMMERCIAL PROGRAM	WITH A FORMALIZED LAYER
Pollution / spill above policy caps	✕	✓
Downhole equipment loss	✕	✓
Loss of key purchaser or operator contract	✕	✓
Shut-in / weather interruption	✕	✓
General liability, property, auto	✓	*stays commercial*

The honest version

Read this part carefully. The IRS actively scrutinizes small captives, and it should. Promoters spent a decade selling them as tax shelters with invented risks and premiums reverse-engineered from the desired deduction; the IRS has litigated those aggressively and requires disclosure of certain captive arrangements.

The version that survives is insurance first: risks you demonstrably carry, priced at arm's length by independent actuaries, with real underwriting, real claims handling, and conservatively invested reserves. An energy business is one of the few places where the insurable-risk case is usually obvious on its face, which is all the more reason to build it properly. If anyone pitches you a captive by leading with the deduction, walk away, and if anyone tells you the IRS never looks, walk faster.

WHAT IT'S WORTH

Owners netting $2M+ commonly formalize $500k to $1.5M a year of self-insurance, converting after-tax loss absorption into pre-tax reserves that compound outside the operating entities. At larger profit levels, the program scales with the risk it insures.

One practical note: a captive is a real insurance company, with a regulator, an actuary, an audit, and annual filings. None of it is set-and-forget, and that is the point. The overhead is what separates a real insurance company from a deduction with paperwork. Budget for real administration, and treat the reserves as what they are: the company's rainy-day capital, invested conservatively, ready to pay a claim.

YOU LIKELY HAVE THIS LEAK IF

You have ever eaten a six-figure uninsured loss and your response was "cost of doing business."

LEAK NO. 5 · ELECTIONS

Money sitting in elections and credits nobody filed

Four direct conversations to have this quarter:

Entity election | State PTET | The credit market | Excise & severance refunds

The commission and services trap. Brokers, landmen, consultants, and services owners reporting serious income as sole proprietors or bare LLCs are paying self-employment tax on every dollar. At $2M+ of commission or fee income, the right entity election alone is commonly worth $300k to $500k a year against SE tax and state treatment, before any planning proper. This is the single most expensive "I'll get to it" in the energy services world.

The PTET election. If income passes through to you personally, most states let the entity pay state tax at the company level and hand you a federal deduction the personal SALT cap would otherwise deny. The 2025 law raised the personal cap but phases the benefit out at high incomes, so for owners at your level the entity-level election still governs. A checkbox-and-calendar item worth $30k to low six figures a year.

The same fee income, two filings *(illustration)*

SOLE PROPRIETOR / BARE LLC
self-employment tax on every dollar

WITH THE RIGHT ENTITY ELECTION
exposure managed by design

the difference, before any planning proper:

$300k to $500k a year

at $2M+ of fee income

Illustrative; the right election depends on your facts.

> *The most expensive item on this page is a form nobody filed.*

The credit market cuts both ways. If your operations generate credits (45Q carbon capture, fuel-related credits, marginal well credits in trigger years), the post-2022 transferability rules made many of them sellable for cash, and a market exists that pays meaningful prices. If you have tax appetite instead, purchased credits at a discount are one of the few ways to pay a liability with 60-to-90-cent dollars. The 2025 law reshuffled which energy credits survive and on what timeline, so both sides of this market are now about timing windows. If nobody on your team can say which side of this market you are on, that is the finding.

> *60–90 cents*
>
> what a dollar of federal tax liability can cost when it is paid with purchased, transferable credits instead of cash. The market exists; the question is whether anyone on your team is in it.

Excise refunds and the small stuff that isn't. Fuel distributors and services fleets: federal excise on off-road gallons is refundable, and exempt-sale chains leak real dollars when documentation is sloppy. Producers: severance tax incentives for marginal and stripper wells go unclaimed at shocking rates. It is not glamorous work, but it is your money.

One market, two sides

YOU GENERATE CREDITS	YOU HAVE TAX APPETITE
45Q, fuel-related, marginal-well in trigger years: the transfer market pays cash for them	purchased, discounted credits: a federal dollar paid with 60 to 90 cents

The finding is not knowing which side of this market you are on.

YOU LIKELY HAVE THIS LEAK IF

You take commission income personally, or nobody has ever asked you whether you generate or need credits.

FOR OWNERS NETTING $5 MILLION AND UP

What this guide leaves out, on purpose

Everything to this point starts working around $2 million in profit, and past roughly $5 million the conversation changes: the dollar amounts get larger, the structures involve more parties, and the quality of the work starts to matter more than the fee attached to it.

We keep that tier out of a downloadable guide on purpose. Whether any of it is appropriate depends on facts we do not have yet: your entities, the character of your income, your state, your liquidity, your appetite for complexity and administration. It is impossible to put all of that into a guide like this, and it deserves a much bigger discussion than twenty-four pages can give it.

Four questions to ask anyone who brings you a sophisticated structure. What is the economic substance, apart from the tax result? Who administers it, and are they independent of whoever is selling it? Have my own CPA and attorney seen the complete paper? What does it cost to unwind if the law changes? Slow answers to any of the four are your answer.

WHERE THE CONVERSATION USUALLY GOES AT THIS TIER · CATEGORIES ONLY

Compensation redesign
Rebuilding how owners are paid once the numbers justify the engineering.

Advanced charitable structures
Lead trusts and charitable entities that turn real philanthropy into current deductions, with control retained.

Revenue shifting across entities
Repositioning income across entities and tax structures for materially better treatment of the same dollars.

Transferable credit acquisition
Settling federal liabilities with purchased, discounted credits from the transfer market.

Expanded direct participation
Structured drilling, solar, and energy-storage positions that extend the IDC, credit, and depreciation profile you already know.

Gain deferral & opportunity zones
Repositioning large gains through qualified deferral vehicles, including the current opportunity-zone regime.

Categories, not recommendations; what fits, if anything, is a suitability question for you and your counsel. In this bracket, skip the scorecard and call us first.

MAILBOX MONEY

Minerals and royalties: generational assets, administered like a hobby

Mineral and royalty income is the closest thing this industry has to permanent capital: no drilling risk, no operating liability, checks that can outlive you by a century. Owners treat it that way emotionally and then administer it like a side account. Three upgrades:

— **Depletion has a ceiling; planning doesn't.** Percentage depletion shelters 15% of royalty income for qualifying owners, and it is the industry's favorite deduction because it can exceed basis. It also means 85% of every check is exposed, forever. Royalty-heavy owners are exactly the profile for the reserve, retirement, and entity structures in Leaks 2 through 4, because nothing about the asset itself shelters the income stream.

— **The out-of-state probate trap.** Minerals are real property where they sit. Personally titled interests across Texas, Oklahoma, and North Dakota mean your estate faces ancillary probate in each state, a slow, public, per-state legal process your heirs will run while also learning the division-order business overnight. An LLC wrapper (often one per state, held by your trust) converts real property in three states into a membership interest in one, and turns probate into paperwork.

— **Keep a one-page schedule.** What you own, where it sits, how it is titled, current enough to hand somebody. It is the cheapest estate planning in this industry; heirs who can find the paper keep the money.

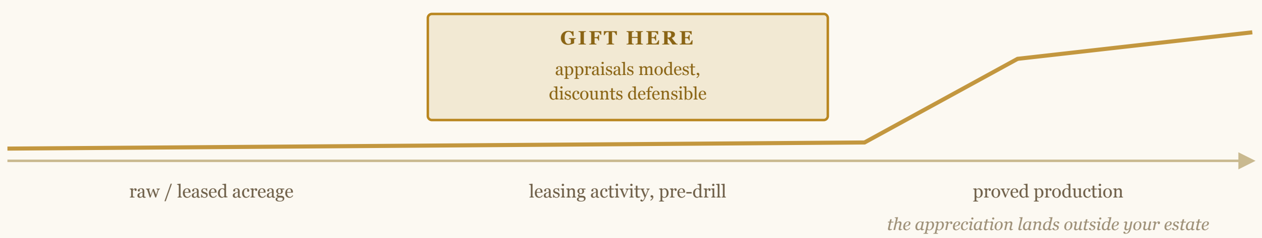
100 years

a producing royalty can outlive its owner by a century. The titling and the paperwork should be built for the people who inherit it, not the person who found it.

— **Gift the acreage before the rig arrives.** Non-producing and pre-development minerals appraise low. The window between leasing activity and proved production is the single best moment in this industry to move assets to the next generation: appraised value is modest, discounts for fractional interests are defensible, and the appreciation that follows the drill bit happens outside your estate. Once the wells are online, that window has closed at exactly the multiple you would have wanted to give away.

> *85%*
>
> the share of every royalty check that percentage depletion leaves exposed, forever. The asset is generational; the income stream still needs a plan.

The gifting window *(illustration)*



Illustrative; appraised values and discounts are facts-and-circumstances determinations.

YOU LIKELY HAVE THIS LEAK IF

Your minerals are titled in your personal name, or your kids would have to hire a landman to figure out what you own.

THE EXIT

Distributors, services companies, and the day the checks change

For the fuel distribution, midstream, and services readers, your endgame looks like any strong private company's, with industry numbers: distribution and services businesses at your scale trade at roughly 5 to 7 times EBITDA, with contracts, branded supply agreements, and customer concentration moving the multiple. The structural points that decide your after-tax number:

— **Addbacks get built years before the sale.** Owner compensation above market and properly structured planning expenses can be added back to EBITDA in diligence, meaning profit you protected from tax along the way can still count at full multiple in the sale price. Sloppy versions get thrown out and cost you multiple instead.

— **You cannot 1031 a company sale.** A persistent and expensive myth. Like-kind treatment applies to real property, and mineral and royalty interests generally qualify; stock or equity in your operating company never does. The actual deferral tools at closing are rollover equity (the 20-30% you keep in the buyer's deal is typically not taxed at closing), installment structures, and pre-sale gifting done while the valuation is still yesterday's.

And if a sale is already on your mind: pre-sale planning is a discipline of its own. Exemption and trust work completed before the letter of intent, charitable components sized against the gain, installment and rollover design, and, at the top tier, structures from the page-14 shelf applied to the capital gain itself. Most of these options expire the day the deal signs, which is why the sale conversation belongs at the start of the planning, not the end.

> *Whether you keep 80 cents or 55 cents of each dollar is decided years before the letter of intent.*

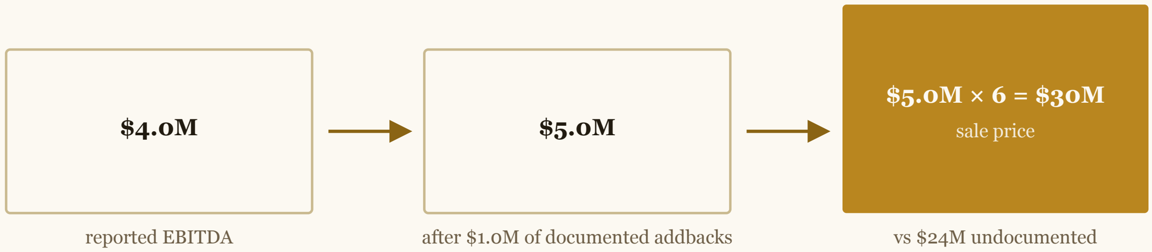
— **The entity question changed in 2025.** The qualified small business stock exclusion was expanded (up to $15 million of gain, tiered 50/75/100% at three, four, and five years) for newly issued C corporation stock. For owners a decade out, the old "never be a C corp" reflex deserves a fresh run of the math. Old S corporation stock does not simply convert into qualifying stock, which is why it belongs in a planning conversation now rather than a diligence discovery later.

— **Succession without a sale.** Bringing the next generation in? Gifts or sales of non-voting interests at appraised, discounted values move economics while you keep control, and done across a down cycle, they move a lot of it. The wrong way (a casual transfer of voting stock at a round number) triggers tax and fights, usually both.

The new QSBS clock, stock issued under the 2025 act *(illustration)*

Newly issued C corporation stock only; existing S corporation stock does not qualify by conversion alone.

Why designed addbacks matter at 6x *(illustration)*



Illustrative only; add-back treatment is negotiated in diligence.

YOU LIKELY HAVE THIS LEAK IF

Your exit plan is a number in your head, or it involves the words "1031 the proceeds."

PARTNERS AND PAPER

Partners, policies, and a Supreme Court case worth 20 minutes

Most energy companies at your scale have partners, and most partner groups have a buy-sell agreement someone drafted years ago, funded with life insurance nobody has looked at since. Two recent reasons to look this week.

***Connelly v. United States* (2024).** The Supreme Court held that when a company owns life insurance on its owners and is obligated to redeem a deceased owner's shares, the insurance proceeds count toward the company's value for estate tax purposes, with no offset for the redemption obligation. A structure that was standard practice for decades now inflates the taxable estate of the exact person it was meant to protect. Companies are actively restructuring ownership of their buy-sell policies because of this case.

While you have the drawer open: partner groups with passive or absentee owners should also confirm the agreement compels the things everyone assumes it compels. The week you need it is the worst possible time to learn your buy-sell is a handshake with a staple in it. And date the review; values in this industry move with the strip, so build the valuation mechanism to update itself instead of freezing a number that was right once.

> *20 minutes*
>
> what the three checks on the next page take with the agreement actually open in front of you. Most owners have never done it.

Three things to check in your buy-sell this week

1. **Who owns the policies.** Company-owned redemption structures are the exposed ones; cross-purchase and dedicated insurance-LLC structures generally are not.

2. **How price is set.** A real valuation mechanism, or a stale certificate from years ago, or, worst and common, "the face amount of the insurance"? In a commodity business the gap between any of those and reality can be the whole company.

3. **Whether funding still matches value.** Energy company values swing with the strip; policies bought in 2016 do not. Survivors funding the gap out of working capital, in this industry, at the wrong point in the cycle, is how good companies get sold badly.

> *June 2024*
>
> the month the *Connelly* decision redrew the rules. If your agreement predates it, twenty minutes answers all three questions above.

Why *Connelly* changed the math *(illustration)*

COMPANY-OWNED, REDEMPTION

policy and buyout obligation inside the company

↓

proceeds count toward company value: the taxable estate grows with them

CROSS-PURCHASE / INSURANCE LLC

policies owned outside the company

↓

proceeds fund the buyout without inflating the estate

Simplified; the right structure depends on your agreement, ownership, and state.

YOU LIKELY HAVE THIS LEAK IF

You have partners and cannot say from memory who owns the policies on your life, or your agreement predates June 2024.

ESTATE

The exemption got bigger; the ground appreciates anyway

The 2025 law set the federal estate and gift exemption at $15 million per person, $30 million per couple, from 2026, indexed, with no scheduled sunset. Plenty of owners heard that and crossed estate planning off the list. Two problems.

First, energy estates are lumpy and illiquid in exactly the wrong way. A $20M estate that is 80% minerals, working interests, and company equity has a 40% federal tax due on everything over the line, on a nine-month clock, payable in cash. Heirs facing that math sell assets fast, at fire-sale discounts, in whatever price environment the calendar hands them. The planning is not only about reducing the number; it is about making sure the number can be paid without unwinding the position, which is what properly owned life insurance and liquidity structures are actually for.

Second, the real clock is asset appreciation. Estates in this industry inflect: the play gets extended, the acreage gets drilled, the distributorship lands the contract. Moving assets before the inflection, at defensible appraised values with fractional-interest discounts, puts the growth outside your estate while you keep control through entity and trust design. In oil and gas, the best estate planning moments are priced by the strip, and they do not wait for you to feel ready. And if your entities or your residency sit in a state with its own estate or income tax, the state layer is often the more solvable problem: residency, trust situs, and domicile are choices.

> *9 months*
>
> the clock on the 40% federal estate tax, payable in cash, in whatever price environment the calendar hands your heirs.

YOU LIKELY HAVE THIS LEAK IF

Your estate plan is a will and a revocable trust from before the assets got serious, or your insurance, buy-sell, and estate documents were drafted by three people who have never spoken.

THE SCORECARD

The 12-leak scorecard

Check every box you can answer "yes, handled, and I've seen the analysis" on. The twelve draw from the five numbered leaks and the minerals, exit, partners, and estate chapters that follow them.

1. ☐ My planning calendar follows the price cycle: structuring in down years, harvesting in strong ones.
2. ☐ My royalty, working interest, and operating/services income sit in separate entities, on purpose.
3. ☐ My CPA brings me proactive planning during the year; I am not the one chasing it.
4. ☐ Someone independent of my partners reads my K-1 and the allocations behind it.
5. ☐ My retirement contributions exceed $200k/year pre-tax, or I know exactly why they can't.
6. ☐ The risks my carriers exclude are formally structured and reserved for, insurance-first.
7. ☐ Someone is actively engineering down the tax bill that remains after my deductions and credits.
8. ☐ My entities make the PTET election everywhere it helps, and I know whether I generate or need transferable credits.
9. ☐ My minerals are titled in entities, not in my personal name across three states.
10. ☐ My exit plan does not contain the words "1031 the company sale," and my addbacks are being designed now.
11. ☐ My buy-sell has been reviewed since the 2024 *Connelly* decision, and I know who owns the policies.
12. ☐ My estate plan accounts for the 40% federal tax being due in cash, in nine months, without a fire sale.

SCORING

10-12 checked: you are the well-advised minority, and we would enjoy meeting your team. 6-9: there are likely several six-figure conversations on this page worth having. Five or fewer, and in our experience the unaddressed items tend to compound on each other year after year. Every situation is different and none of this is a projection, but at your income the analysis is worth running.

Keep the scorecard. On a thirty-minute call we will tell you which of the twelve exist in your numbers and roughly what each one is worth, with no preparation required beyond this page. And when the moment is right to bring your CPA into the picture, we will coach that conversation so it lands as collaboration, not criticism; the good ones become our best allies on implementation.

> *12 boxes, 30 minutes*
>
> what it takes to find out which of these leaks exist in your numbers, and roughly what each one is worth. That is the whole agenda of the call.

What happens after the call

1. The call
thirty minutes, this scorecard, no preparation

→

2. The look
we size the leaks that exist in your real numbers

→

3. Your decision
a written short list, in order, yours either way

> *Bring the scorecard; we will bring the numbers.*

WHO WROTE THIS

Ascent Wealth Strategies

Ascent Wealth Strategies is a business owner family office with experience in the oil and gas space. Our clients net $2 million to $50 million a year. The work starts with advanced revenue protection strategies, because that is usually where the biggest and fastest gap is, and extends through asset protection, retirement plan design, exit and succession planning, and estate work, coordinated with your CPA and attorney rather than around them.

We are fiduciaries. Every recommendation comes with the reasoning, the risks, and references you can check. Where implementation involves specialized third-party providers or affiliated entities, we tell you who does what, and how they are compensated, before you commit to anything.

The next step, if you want one

A complimentary strategy call. Thirty minutes, direct feedback on which of the twelve leaks apply to you and roughly what they are worth in your numbers. If the honest answer is "your CPA has you covered," you will hear that too.

ascentwealthstrategies.com

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