

FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Wynn-Crosby Management, Ltd. If you have any questions about the information contained in this brochure, please contact us at (972) 380-5500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any other regulatory authority.

This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of the applicable governing documents that contain a description of the terms relating to such investments, products or services.

Additional information about Wynn-Crosby Management, Ltd. also is available on the SEC's website at www.adviserinfo.sec.gov.

March 31, 2014

Item 2: Material Changes

This brochure amends our last brochure dated March 26, 2013 and reflects the following material changes:

Wynn-Crosby Partners I, Ltd. and WCFM Partners I, Ltd. have been liquidated

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Item 4: Advisory Business

FIRM DESCRIPTION

Wynn-Crosby Management, Ltd., a Texas limited partnership and private investment management firm (“Wynn-Crosby,” “we,” “us” or “our”), was organized in 2004. We provide investment management and other services solely to our affiliated private pooled investment vehicles (the “Funds”) with respect to investments in oil and natural gas properties, interests and/or related assets. We generally have discretionary power and authority with respect to investment decisions of the Funds, including the location, acquisition, management and liquidation of investments.

We do not act as the general partner to any of the Funds. Instead, certain of our affiliates serve as the general partners of the Funds and, in such capacity, may be deemed to be an “investment adviser” (as defined in the Advisers Act). These affiliates will rely on our investment adviser registration instead of separately registering as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Except as the context otherwise requires, any reference herein to “we,” “us,” or “our” includes Wynn-Crosby Management, Ltd. and each affiliate relying on its registration. **See Item 10.**

PRINCIPAL OWNERS

The general partner of Wynn-Crosby Management, Ltd. is Wynn-Crosby Holdings GP, LLC, a Delaware limited liability company, of which Wynn-Crosby Holdings, Inc., a Delaware corporation, is the sole member. Wynn-Crosby Holdings, Inc. also is a limited partner of Wynn-Crosby Management, Ltd. Ronald W. Crosby and Paige L. Crosby are the sole shareholders of Wynn-Crosby Holdings, Inc.

TYPES OF SERVICES

As noted above, we provide investment management and other services to the Funds with respect to investments in oil and natural gas properties, interests and/or related assets. In addition, to reduce the Funds’ sensitivity to oil and natural gas price volatility, we may from time to time enter into financial or physical hedging or derivative contracts, including price swaps and other derivative instruments. We do not provide advisory services with respect to any other types of investments that may be deemed to be securities for purposes of the Advisers Act.

We generally are responsible for providing investment management and other services with respect to the investments of each Fund in accordance with the terms set forth in its governing documents. **See Item 8 below.**

INVESTMENT RESTRICTIONS

We provide investment management and other services to each Fund in accordance with the terms set forth in its governing documents, and not in accordance with the individual needs or objectives of any particular investor in that Fund. Investors are not permitted to impose restrictions or limitations on the management of the Funds.

ASSETS UNDER MANAGEMENT

As of January 1, 2014, we had approximately \$162,891,280 in regulatory assets under management. All of these assets were managed on a discretionary basis.

Item 5: Fees and Compensation

DESCRIPTION OF COMPENSATION AND FEE SCHEDULE

In consideration of our services, we and/or our affiliates generally are entitled to receive (i) reimbursement of G&A Expenses (as defined below), (ii) a portion of the net cash flow from producing oil and natural gas properties and (iii) carried interest distributions with respect to the Funds. While such fees and carried interest distributions are set forth in each Fund's governing documents, a summary of the general fee schedule applicable to the Funds is set forth below.

Reimbursement of G&A Expenses

Neither we nor any of our affiliates are entitled to receive a set "management fee" with respect to the Funds. Nevertheless, we and/or our affiliates receive, with respect to each calendar month during the term of a Fund, an amount equal to that portion of our general and administrative expenses for the immediately preceding month (including employee compensation and related burdens, office expenses (rent, supplies, equipment, etc.), travel and entertainment expenses, professional services (computer support, technical services, recruiting, risk management, etc.), insurance and bank fees) that we determine to be attributable to the management of the Fund and its investments ("G&A Expenses").

Compensation from Producing Properties

With respect to the Funds, all production cash flow from producing oil and natural gas properties for the first full calendar month after the effective date of the Fund's purchase thereof will be distributed as compensation to one of our affiliates and Jerry V. Smith, a principal of Espuela (as defined in Item 10 below).

Carried Interest Distributions

With respect to the Funds, the general partner of the Fund generally is entitled to receive carried interest distributions equal to:

- (i) 8% of the net cash flow of the Fund, until (a) the first instance in which 90/92nds of the aggregate distributions to the limited partners equals 125% of the aggregate capital contributions of the limited partners and (b) limited partners no longer have any unpaid capital commitments ("Payout"); and
- (ii) after Payout is reached, 20% of the net cash flow of the Fund.

The compensation applicable with respect to the Funds and each investor generally is not negotiable.

PAYMENT OF FEES AND REIMBURSEMENT OF G&A EXPENSES

G&A Expenses applicable with respect to any calendar month are payable on or before the tenth (10th) day of the subsequent calendar month (for the prior month). We may pay G&A Expenses from capital contributions called for such purpose, proceeds received in respect of any investments or any other assets or funds determined by the general partner to be available.

Carried interest distributions and compensation from producing properties are calculated, distributed and/or paid from time to time when distributions are made to investors. Carried interest distributions and compensation for producing properties are distributed from time to time as determined by the general partner of the Fund out of the net cash flow.

OTHER FEES AND EXPENSES

In addition to the G&A Expenses, each Fund reimburses us and/or our affiliates for direct expenses incurred by us and/or our affiliates on its behalf, including but not limited to, expenses incurred in the formation and capitalization of the Fund, the preparation of tax returns for the Fund, audits or reviews, if any, of the Fund, engineering reports, if any, of the Fund and any similar expenditures of or for the benefit of the Fund. Any person appointed operator of any of the properties owned by the Fund is reimbursed for services provided and expenses incurred in accordance to the rates and provisions under the existing joint operating agreements for the relevant property. The Funds generally are responsible for and pay any applicable custodial fees and expenses. **See Item 12 below.**

The Fund also reimburses Espuela and its affiliates for all of their expenses other than rent, utilities and the services

of Jerry V. Smith.

COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-By-Side Management

PERFORMANCE-BASED FEES

As noted under Item 5 above, certain of our affiliates are entitled to receive compensation from producing properties and/or carried interest distributions with respect to the Funds and their investors. Such compensation and distributions could motivate us, due to our relationship with our affiliates, to make investments that are riskier or more speculative than would be the case if this type of compensation was not received. Certain of our individual employees and affiliates who are compensated to some extent based upon investment profits for which they are responsible face the same potential conflict. We address this conflict through full and fair disclosure in this brochure.

Item 7: Types of Clients

We only provide investment management and other services to the Funds, our affiliates and sole advisory clients.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Our primary objective is to realize substantial operating income and capital appreciation primarily through the acquisition, operation and development of oil and natural gas properties and associated acreage. We focus on acquiring oil and natural gas related assets at below market value and enhancing value and internal rates of return with low-risk production enhancements and strategic sales at market or above-market rates in the early life of the investment. We progress to drilling or other production enhancements of associated acreage as the investment approaches or exceeds payout.

The Funds invest in oil and natural gas properties and associated acreage. In addition, to reduce the Funds' sensitivity to oil and natural gas price volatility, we may from time to time enter into financial or physical hedging or derivative contracts, including price swaps and other derivative instruments.

The investment strategies summarized above are not intended to be comprehensive. For more information regarding our investment strategies, please contact us.

CERTAIN RISK FACTORS

There can be no assurance that the Funds will achieve their investment objectives or that an investment in the Funds will be profitable. These investment strategies involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that an investment in the Funds is low risk or risk free. The Funds' investment strategies and programs are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. Prospective investors should consider the following risks, among others, before making any investment decisions. The various risks outlined below are not the only risks associated with the Funds' investment strategies and processes.

Risks of Exploratory Drilling. While we generally do not engage in a significant amount of exploratory drilling, we may decide to do so in the future. We believe the risks of such exploratory drilling are substantially greater than the risks inherent in acquiring producing properties or in developmental drilling of producing fields. We do not have substantial experience in exploratory drilling, and there can be no assurance that our efforts will succeed in locating hydrocarbons that can be produced at an acceptable cost or in marketable quantities.

Future Need for and Availability of Capital. The Funds generally fund working capital requirements through proceeds raised in the offering for each Fund. The Funds may supplement such working capital with bank financing. We cannot give any assurances as to the level and structure of such bank financing or if banks will provide such financing. In recent years, global economic and market conditions have made financing much more difficult to obtain. Should there be either a shortfall in the equity or the financing, we may seek funds through the sale of debt or equity securities (subject, however, to the limitations set forth in the partnership agreements of the Funds). In addition, if necessary, we may seek funds from project financing, strategic alliances or other sources. Our ability to access additional capital is dependent upon, in part, the financial strength of the capital markets at such time. Future cash flows and the availability of credit are subject to a number of variables, such as the success or failure of drilling and production programs, the availability of gathering, transportation and storage facilities, the level of production from wells, prices of oil and natural gas and our success in directly or indirectly locating and economically producing oil and natural gas reserves. There can be no assurance that such additional financing can be obtained or, if so, obtained on terms acceptable to us or the Funds.

Volatility of Oil and Natural Gas Prices. The revenues generated by the Funds' operations and interests are highly dependent upon the prices of, and demand for, oil and natural gas. Historically, the prices of oil and natural gas have been volatile and are likely to continue to be volatile in the future and are dependent upon numerous factors such as weather, domestic and foreign political and economic conditions, the overall level of international and domestic demand for oil and natural gas, regulatory developments, severance and excise taxes, competition from other sources of energy and the availability of pipeline capacity. The volatile nature of the energy markets and the unpredictability of actions of OPEC members make it impossible to predict future prices of oil and natural gas with any certainty. Prices of oil and natural gas are subject to wide fluctuations in response to relatively minor changes in circumstances, and there can be no assurance that future prolonged decreases in such prices will not occur. All of these factors are beyond the control of us and the Funds. Any significant decline in oil and natural gas prices would have a material adverse effect on the Funds' results of operations and financial condition, the Funds' ability to fund

operations and capital expenditures, the book value of the Funds' oil and natural gas properties and interests and the Funds' ability to pay their liabilities.

In recent years, oil and natural gas prices have fluctuated drastically. The downturn in the United States and worldwide economy could cause oil and natural gas prices to further decline, perhaps significantly so. It is impossible to predict future oil and natural gas price movements, and this reduces the predictability of our investment strategy.

Risk of Hedging Activities. To manage the Funds' exposure to price risks in the marketing of their oil and natural gas, we may from time to time enter into financial or physical hedging or derivative contracts, including price swaps and other derivative instruments (collectively, "Price Hedges"). Additionally, the Funds may be required to enter into Price Hedges due to financing requirements. Our use of Price Hedges to reduce the Funds' sensitivity to oil and natural gas price volatility is subject to a number of risks. If the Funds' reserves are not produced at the rates estimated by us due to inaccuracies in the reserve estimation process, operational difficulties or regulatory limitations, or otherwise, the Funds would be required to satisfy their obligations under potentially unfavorable terms. If we enter into financial instrument contracts for the purpose of hedging prices and the estimated production volumes are less than the amount covered by these contracts, the Funds would be required to mark-to-market these contracts and recognize any and all losses within the determination period. Further, under financial instrument contracts, the Fund may be at risk for basis differential, which is the difference in the quoted financial price for contract settlement and the actual physical point of delivery price. Substantial variations between the assumptions and estimates used by us in our hedging activities and actual results experienced could materially adversely affect a Fund's financial condition and its ability to manage risk associated with fluctuations in oil and natural gas prices. Furthermore, the fixed price sales and hedging contracts limit the benefits the Fund realize if actual prices rise above the contract prices. Although the Funds may enter into hedging arrangements from time to time to reduce their exposure to price risks in the sale of their oil and natural gas, substantially all of their production will remain subject to oil and natural gas price fluctuations.

Dependence on Distribution and Processing Systems. If we are successful in identifying, acquiring and developing marketable amounts of hydrocarbons, the production and marketing thereof will depend upon the availability and capacity of oil and natural gas gathering systems, pipelines and processing and storage facilities that are not owned by the Funds or us. The unavailability or lack of capacity thereof could result in the shut-in of producing wells or the delay or discontinuance of development plans for properties. Moreover, a substantial portion of the Funds' properties may rely on the same gathering systems, transportation line, processing plants and storage facilities. In addition, federal and state regulation of oil and natural gas production and transportation, general economic conditions and changes in supply and demand could adversely affect a Fund's ability to produce and market its oil and natural gas on a profitable basis. Any significant change in a Fund's ability to produce and market its oil and natural gas production could have a material adverse effect on its financial condition and results of operations. There can be no assurance that adequate natural gas gathering systems, pipelines and processing and storage facilities will exist, will be constructed or will be available to the Funds on pricing terms that will allow the Funds to economically produce and market any hydrocarbons located by the Funds.

Drilling Risks. Each Fund's revenues, operating results and future growth is somewhat dependent upon the success of our drilling program; nevertheless, our drilling program is only part of each Fund's strategic focus on the acquisition, operation and development of producing oil and gas properties and associated acreage. Oil and natural gas drilling involves numerous risks, including the risk that no commercially productive oil or natural gas reservoirs will be encountered. The timing and cost of drilling, completing and operating wells is often uncertain, and drilling operations may be curtailed, delayed or canceled as a result of a variety of factors, including unexpected drilling conditions, pressure or irregularities in formations, equipment failures or accidents, adverse weather conditions, compliance with governmental requirements and shortages or delays in the availability of drilling rigs and the delivery of equipment. Oil and natural gas drilling remains a speculative activity notwithstanding our use of 3-D seismic data. Even when fully utilized and properly interpreted, 3-D seismic data and other advanced technologies only assist geoscientists in identifying subsurface structures and do not enable the interpreter to know whether hydrocarbons are in fact present in such structures. In addition, the use of 3-D seismic data and other advanced technologies requires greater pre-drilling expenditures than traditional drilling strategies, and the Funds could incur losses as a result of such expenditures. Furthermore, completion of a well does not assure a profit on the investment or a recovery of any portion of drilling, completion or operating costs.

Unsuccessful drilling activities could have a material adverse effect on a Fund's results of operations and financial

condition. There can be no assurance that a Fund will achieve a satisfactory overall drilling success rate or a satisfactory drilling success rate within a particular time period or project area. We may choose not to acquire option and lease rights prior to acquiring seismic data and, in many cases, we may identify a prospect or drilling location before seeking option or lease rights in the prospect or location. There can be no assurance that identified prospects will ever be leased or drilled (or drilled within the scheduled or budgeted time frame) or that oil or natural gas will be produced from any such prospects or any other prospects. In addition, prospects may initially be identified through a number of methods, some of which do not include interpretation of 3-D or other seismic data. Actual drilling and results are likely to vary from such statistical results, and such variance may be material. Similarly, a Fund's drilling schedule may vary from its capital budget because of future uncertainties, including those described above.

Ability to Develop Reserves. Among other things, a Fund's economic success depends upon our ability to develop proved undeveloped, probable and possible oil and natural gas reserves on the properties to be leased by the Fund. Development of these reserves likely will require significant capital expenditures, and there can be no assurances regarding the development results.

Shortages of Drilling Rigs, Equipment, Supplies and Personnel. In the past, there have been periods where general shortages of drilling rigs, equipment and supplies have occurred. Shortages of drilling rigs, equipment or supplies could delay and adversely affect our exploration and development operations, which could have a material adverse effect on a Fund's business, financial condition and results of operations. The demand for, and wage rates of, qualified rig crews in the drilling industry tend to fluctuate in response to the number of active drilling rigs in service. The oil and natural gas industry may in the future experience shortages of qualified personnel to operate drilling rigs, which could delay our drilling operations and adversely affect a Fund's business, financial condition and results of operations.

Risks Associated with Potential Acquisitions of Producing Properties. Our business plans currently focus primarily on the acquisition of producing properties, and the successful acquisition of such properties requires an assessment of recoverable reserves, future oil and natural gas prices, operating costs, potential environmental and other liabilities and other factors. Such assessments are necessarily inexact. In connection with its assessment of a potential acquisition, we perform a review of the subject properties that we believe to be generally consistent with industry practices, including examination of contingencies associated with the properties. Such a review, however, will not reveal all existing or potential problems nor will it permit a buyer to become sufficiently familiar with the properties to fully assess the deficiencies and capabilities of such properties. Inspections may not always be performed on every well, and structural and environmental problems are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of such problems. There can be no assurance that we will be able to identify acquisition opportunities, obtain financing for acquisitions on satisfactory terms or successfully consummate such acquisitions. Furthermore, there can be no assurance that competition for acquisition opportunities would not escalate, thereby increasing the cost to the Funds of making acquisitions or causing the Funds to refrain from making acquisitions. In addition, there can be no assurance that any acquisition of property interests by the Fund will be successful and, if unsuccessful, that such failure will not have a material adverse effect on the Fund's future results of operations and financial condition.

Operational Hazards and Uninsured Risks. Oil and natural gas drilling activities are subject to numerous risks, many of which are beyond our control, including the risk that no commercially productive oil or natural gas reservoirs will be encountered. The cost of drilling, completing and operating wells is often uncertain, and drilling operations may be curtailed, delayed or canceled as a result of a variety of factors, including unexpected drilling conditions, pressure irregularities information, equipment failures or accidents, adverse weather conditions, title problems and shortages or delays in the delivery of equipment. Our future drilling activities may not be successful and, if unsuccessful, such failure will have an adverse effect on future results of operations and financial condition of the Funds.

In addition, oil and natural gas operations involve hazards such as fire, explosion, blowout, pipe failure, casing collapse, unusual or unexpected formation pressures and environmental hazards such as oil spills, gas leaks, ruptures and discharges of toxic gases, the occurrence of any one of which could result in substantial losses to a Fund due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations. To the extent the Funds engage in any offshore operations, they will be subject to a variety of operating

risks peculiar to the offshore and marine environment, such as hurricanes, or other adverse weather conditions, more extensive governmental regulation, including regulations that may, in certain circumstances, impose strict liability for pollution damage, and to interruption or termination of operations by governmental authorities based on environmental or other considerations.

Although the Funds maintain insurance against certain risks that we believe are customarily insured against by companies in the industry of comparable size and scope of operations, such insurance does not cover all of the risks and hazards involved in oil and natural gas exploration, drilling and production, because either insurance is unavailable at reasonable rates, there are limitations in the insurance policies or for other reasons. Even if coverage does exist, it may not be sufficient to pay the full amount of liabilities incurred, and there can be no assurance that such insurance will continue to be available on terms acceptable to the Funds. Any uninsured loss could have a material adverse effect on a Fund's financial condition and results of operations.

Competition in the Oil and Natural Gas Industry. We encounter competition from other oil and natural gas companies in all areas of their operations, including the acquisition of exploratory prospects and proven properties. Securing leases or necessary permits and approvals for 3-D seismic shoots depends heavily on developing and maintaining favorable relationships with other operators and regulatory bodies. Our competitors include major integrated oil and natural gas companies and independent oil and natural gas companies, individuals and drilling and income programs. Most of our competitors are large, well-established companies with substantially larger operating staffs and significantly greater capital resources than ours and which, in most instances, have been engaged in the oil and natural gas business for a much longer time than us. Such companies may be able to pay more for oil and natural gas properties and may be able to define, evaluate, bid for and purchase a greater number of properties than we could, given our limited financial and human resources. There can be no assurance that we will be able to secure the necessary financing or industry partners or evaluate and select suitable properties and consummate transactions in this highly competitive environment.

Technological Advances. The oil and natural gas exploration, drilling and production industry is subject to rapid and significant advances in technology and practices, including the introduction of new drilling or extraction technologies. We believe that the Funds can utilize new technologies to increase production and efficiency on many properties. As competitors use or develop new technologies, we may be placed at a competitive disadvantage, or we may be required to adopt such new technologies at significant cost. In addition, our competitors may have greater financial, technical and personnel resources that may allow such competitors to enjoy technological advances and may allow such competitors in the future to implement new technologies before we can do so. There can be no assurance that we will be able to implement new technologies on a timely basis or at a cost that is acceptable to us.

International Operations. Our operations are located primarily in the United States. To the extent we participate in any oil and gas ventures located outside the United States, the Funds may be exposed to risks associated with international business operations that include the following: volatility and general economic, social and political conditions; differing tax rates, tariffs, exchange controls and other similar restrictions; potential inability to repatriate income or capital; changes in, and compliance with, domestic and foreign laws and regulations that impose a range of restrictions on operations, trade practices, foreign trade and international investment decisions; and potential nationalization or other seizures of properties and equipment.

Regulatory and Environmental Risks. Oil and natural gas operations are subject to various federal, state and local governmental regulations, which may be changed from time to time in response to economic or political conditions. From time to time, regulatory agencies have imposed price controls and limitations on production in order to conserve supplies of oil and natural gas. In addition, the production, handling, storage, transportation and disposal of oil and natural gas, byproducts thereof and other substances and materials produced or used in connection with oil and natural gas operations are subject to regulation under federal, state and local laws and regulations.

Currently, federal regulations provide that drilling fluids, produced waters and other wastes associated with the exploration, development or production of oil and natural gas are exempt from regulation as "hazardous waste." From time to time, legislation has been proposed to eliminate or modify this exemption. Should the exemption be modified or eliminated, wastes associated with oil and natural gas exploration and production would be subject to more stringent regulation. On the federal level, the Funds' operations may be subject to various federal statutes, including the Natural Gas Act, the Comprehensive Environmental Response, Compensation the Liability Act, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Clean Air Act, the Federal Water Pollution Control Act and the Oil Pollution Act, as well as by regulations promulgated pursuant to

these statutes.

These regulations subject us and the Funds to increased operating costs and potential liability associated with the use and disposal of hazardous materials. These laws and regulations may have a material adverse effect on a Fund's financial condition and results of operations, because there can be no assurance that the Fund will not be required to make material expenditures in the future. Moreover, we anticipate that such laws and regulations will become increasingly stringent in the future, which could lead to material costs for environmental compliance and remediation by us and the Funds.

To the extent that we engage in offshore operations, they also may be subject to the Outer Continental Shelf Lands Act, and regulations promulgated thereunder, which regulate the activities of offshore service vessels, require vessel owners and operators to demonstrate financial and operational responsibility and provide for certain limitations on the liability of vessel owners and operators. Our operations are also subject to the Clear Water Act, which imposes strict controls against the discharge of oil and other pollutants into surface waters within its jurisdiction.

Any failure by us and the Funds to obtain required permits for, to control the use of or to adequately restrict the discharge of hazardous substances under present or future regulations could subject the Funds to substantial liability or could cause their operations to be suspended. Such liability or suspension of operations could have a material adverse effect on the business, financial condition and results of operations of the Funds.

Terrorism and War. Terrorist attacks and the threat of terrorist attacks, whether domestic or foreign, as well as the military or other actions taken in response, cause instability in the global financial and energy markets. Terrorism, the war in Iraq, Afghanistan and other sustained military campaigns could adversely affect the Funds and the market price of oil and natural gas in unpredictable ways, or the possibility that the operations of the Funds could be a direct target or an indirect casualty of an act of terror.

Limited Diversification. The Funds invest primarily in oil and natural gas properties (and in cash or cash equivalents pending the acquisition of oil and natural gas properties or pending distributions). Consequently, the Funds investments are not diversified to any material extent. This limited diversification could expose the Funds to losses disproportionate to market movements in general.

Potential Conflicts of Interest. Actual and potential conflicts of interest exist between us, our affiliates and the Funds, and additional conflicts of interest may arise in the future.

Other Obligations of Management. Although the members of our management team devote as much time to the Funds as they believe is reasonably necessary to assist each Fund in achieving its investment objectives, none of them is required to devote all or substantially all of their working time to the affairs of the Funds.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS ASSOCIATED WITH THE FUNDS' INVESTMENT PROGRAMS.

Item 9: Disciplinary Information

Not applicable.

Item 10: Other Financial Industry Activities and Affiliations

RELYING ADVISERS

We are not the general partner of any Fund. Instead, each of WCFM Partners II, Ltd. and WCFM Partners III, Ltd. (each, a “Relying Adviser” and, collectively, “Relying Advisers”), serves as a general partner of a Fund and is ultimately responsible for making decisions with respect to the acquisition and disposition of Fund investments. While we and the Relying Advisers have been organized as separate legal entities, we collectively conduct a single investment management business. Accordingly, each Relying Adviser will rely on our registration instead of separately registering with the SEC as an investment adviser under the Advisers Act. To rely on our registration, (i) the Relying Adviser, its employees and persons acting on its behalf will be “persons associated with” and “supervised persons” (as each term is defined in the Advisers Act) of Wynn-Crosby Management, Ltd., (ii) the investment advisory services of the Relying Adviser, its employees and persons acting on its behalf will be subject to our supervision and control, (iii) any investment advisory functions of the Relying Adviser will be subject to the Advisers Act and the rules and regulations thereunder, and (iv) the activities and books and records of the Relying Adviser will be subject to inspection and examination by the SEC. Each Relying Adviser will be subject to our compliance policies and procedures. We have disclosed in the Miscellaneous Section of Schedule D of Part 1A of our Form ADV that we and each of the Relying Advisers are together filing a single Form ADV in reliance upon guidance expressed in a recent SEC no-action letter.

ESPUELA

Each of Espuela Gas Partners II, LP (“Espuela II”) and Espuela Gas Partners III, LP (“Espuela III,” and together with Espuela II, the “Espuela Funds”) has been established to invest substantially all of its assets in one of the Funds. The general partner of each of Espuela II and Espuela III is Espuela Resources, LLC, a Texas limited liability company (“Espuela Resources” or “Espuela”). Espuela Resources is owned and controlled by Jerry V. Smith. While Espuela Resources does not participate in the management, administration or operation of the Espuela Funds, an affiliate of Espuela Resources may provide administrative functions, including accounting and tax services, to the Espuela Funds. We are not affiliated with Espuela Resources. The Espuela Funds hold significant percentages of the limited partner interests of the Funds and, as a result, may have the practical ability to exert influence over the Funds and their management.

RELATIONSHIP WITH FINANCIAL INSTITUTION

Bank of Texas provides debt financing to certain of the Funds and/or serves as a counterparty for certain Fund transactions. Due to our relationship with Bank of Texas, we may have an incentive to select it to serve as a counterparty for certain Fund transactions. We will make determinations regarding the selection of counterparties in a manner that is consistent with our fiduciary duties and the practices described in Item 12.

PERSONAL INVESTMENT ACTIVITIES

Ronald W. Crosby and certain of his affiliates currently own production acreage in their personal capacities, and the oil and natural gas activities with respect thereto may offset or otherwise affect the production from certain properties held or acquired by the Funds. Mr. Crosby may spend a significant portion of his time managing his personal investments. In addition, certain of our affiliates (including Mr. Crosby) have other business relationships relating to other oil and natural gas investment funds and/or other businesses active in the oil and natural gas industry and expect such activities to continue in the future.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODE OF ETHICS

We have adopted and implemented a code of ethics, which sets forth standards of business conduct for our employees. Our code of ethics is primarily designed to educate employees about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage employees to comply with applicable laws, prevent the misuse of material non-public information and address conflicts of interest that arise from personal trading by employees. Among other things, we impose restrictions on access persons relating to the purchase or sale of certain securities for their own accounts and the accounts of certain affiliated persons. Access persons are required to submit quarterly reports disclosing personal securities transactions in covered securities and annual reports disclosing personal holdings of covered securities. Such reports are reviewed by our Chief Compliance Officer or his designee. We also maintain certain policies and procedures designed to prevent employees and principals from misusing material non-public information or trading the same investment ahead of the Funds. We will furnish a copy of our code of ethics to investors upon request.

CO-INVESTMENTS

We may make available to strategic investors, lenders, our employees, or any entity owned by a Fund and/or any investor opportunities to make investments outside of the Fund. Neither we nor any of our affiliates is obligated to present to any investor any opportunity to participate or invest in any particular investment alongside the Funds. Notwithstanding the foregoing, any such co-investment opportunities (a) will be on such terms and conditions as we determine to be reasonable under the circumstances, (b) may take the form of senior debt, subordinated debt, equity or equity related securities and (c) may be made available through limited partnerships or other entities formed to make such investments.

TRANSACTIONS INVOLVING CONFLICTS OF INTEREST

We may cause the Funds to enter into transactions and/or arrangements involving actual or apparent conflicts of interest. For example, we may cause the Fund to buy securities or other investments from, or sell securities or other investments to, us or our affiliates. We will review transactions involving material conflicts of interest and take such actions as we deem necessary and appropriate to ensure that the terms of such transactions are fair and reasonable to the Fund(s) under the circumstances. If we approve of any transaction or arrangement, we may consent to such arrangement or transaction on behalf of the Fund and its investors.

Item 12: Brokerage Practices

BROKERAGE PRACTICES

As we only provide advice with respect to investments in oil and natural gas properties, interests and related assets, neither we nor any of the Relying Advisers expects to select or recommend broker-dealers in connection with client transactions. Nevertheless, the Relying Advisers have the authority to, and from time to time may, engage counterparties to be used in connection with investments made by the Funds. For example, we and/or the Relying Advisers have engaged Union Bank as a counterparty with respect to the Funds in connection with certain hedging transactions. We and the Relying Advisers select counterparties on the basis of obtaining the best overall terms available, which we evaluate based on a variety of factors, including, among other things: settlement terms, credit worthiness and margin requirements (or lack thereof).

ALLOCATION OF INVESTMENT OPPORTUNITIES

We generally allocate investment opportunities among the Funds in a fair and equitable manner. Each Fund generally is fully invested before another Fund is formed. Nevertheless, if, after the formation of another Fund, an interest in a property is acquired that (i) a previously formed Fund has already acquired an interest in or (ii) is an offset to a property of a previously formed Fund, the property generally is allocated to such previously formed Fund. Any such allocation is disclosed to investors.

Item 13: Review of Accounts

REVIEWS OF ACCOUNTS

Our President and Vice-President of Finance generally conduct reviews of each Fund and its investments on at least a monthly basis. With respect to accounting matters, we have engaged a nationally-recognized, independent public accounting firm to conduct an annual audit of the Funds.

We provide investment advice with respect to investments in oil and natural gas interests and related assets (together with the commodity hedging activities of the Fund). In monitoring the performance of the Funds and their investments, we perform various levels of review. Among other items, we may consider the following, among others: the operating results of each Fund, the profitability and performance of individual oil and gas properties, periodic engineering reviews of oil and gas reserve values and periodic reviews of projects to be prioritized and undertaken to enhance asset values.

REPORTS TO INVESTORS

With respect to each Fund, we generally provide investors with the following reports and information: (i) monthly unaudited balance sheets and related statements of income and loss for each month; (ii) annual unaudited balance sheets and related statements of income and loss for each year; and (iii) annual audited financial statements (prepared in accordance with generally accepted accounting principles). All of the foregoing reports are written.

Item 14: Client Referrals and Other Compensation

THIRD PARTY COMPENSATION

Except as set forth in Item 4 or Item 12 above, we currently do not receive any economic benefit from any person other than a client for providing investment advice or other advisory services to our clients.

REFERRALS

We currently do not compensate any third party for investor referrals.

Item 15: Custody

We may be deemed to have custody of each Fund's cash and securities for purposes of Rule 206(4)-2 under the Advisers Act. To the extent required by Rule 206(4)-2, each Fund's cash and securities are held with one or more qualified custodians. The general partner of each Fund may change custodians at any time and from time to time without the consent of, or notice to, investors. In general and to the extent required by law, independent public auditors conduct annual audits of each of the Funds, and audited financial statements (prepared in accordance with U.S. generally accepted accounting principles) are provided to investors on an annual basis. We generally will attempt to provide such statements to investors within 120 days after the end of each fiscal year, but there can be no assurance that we will be successful in this regard. Qualified custodians do not provide statements directly to investors in the Funds.

Item 16: Investment Discretion

DISCRETIONARY AUTHORITY

We and/or the Relying Advisers have discretionary power and authority over the types of investments to be bought or sold, as well as the amount to be bought or sold, on behalf of each of the Funds, subject to the limitations set forth in the applicable governing documents of each Fund. As noted in Item 12 above, we and/or the Relying Advisers also have the authority to select counterparties on behalf of the Funds. As disclosed in Item 10, any and all investment advisory activities of the Relying Advisers and persons acting on their behalf will be subject to our supervision and control. **See Item 10.**

LIMITED POWER OF ATTORNEY

With respect to each Fund, each investor grants a limited power of attorney to the general partner of such Fund in order to take certain actions with respect to the Fund.

Item 17: Voting Client Securities

While the Relying Advisers technically have the authority to vote proxies on behalf of the Funds, the Funds only invest in oil and natural gas properties, interests and related assets. Accordingly, neither we nor any of the Relying Advisers generally expect to be called upon to vote proxies with respect to securities owned by the Funds. Nevertheless, in the event that we and/or the Relying Advisers are called upon to vote proxies, our policy will be to vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of the Funds, as determined by us and/or the Relying Advisers. Where a material conflict of interest is identified between us and one or more of the Funds, we or the Relying Advisers generally will endeavor to address or resolve such conflict before voting a proxy. Clients may obtain copies of our proxy voting policy, together with information regarding how proxies have been voted in the past (if applicable), by contacting us.

Item 18: Financial Information

Not applicable.