



Royalty Owner Handbook

Good Neighbor Resolution Center
1-866-566-4747 or infous@repsol.com



NOTE: This handbook is intended only to provide general information regarding the payment of royalties. Individual oil and gas lease terms can vary greatly. Nothing herein shall be construed to modify or amend the terms of your leases or other agreements with Repsol. If you have specific questions, please contact Repsol directly at 1-866-566-4747 or infous@repsol.com.

Please provide all notifications to:
Repsol Oil & Gas USA, LLC
Attn: Good Neighbor Resolution Center
337 Daniel Zenker Drive
Horseheads, NY 14845

Notifications

OWNER'S CHANGE IN ACCOUNT

1. How do I notify Repsol of a change of address?

Please notify Repsol promptly of any change in address. This notice must be in writing and include your name, old address, new address, owner number and owner's signature. If your account has more than one name on it, all owners must sign the notification. For your protection, address changes are not accepted by telephone or email.

2. How do I submit a name change request?

Please send a written request to change your name and sufficient documentation to support a change in your legal name. Your request should include your old name as it appears in our records and your new name. In the case of a name change due to marriage or divorce, the required documentation is a certified copy of the marriage certificate or divorce decree. Should additional information be required, you will be contacted by a Repsol representative.

3. How do I notify Repsol if I transfer or acquire an interest?

When transferring or acquiring an interest in a property that is leased to Repsol, the lessor has an obligation to timely notify Repsol in writing of a transfer of ownership. A copy of the recorded documentation and proof of recording must be provided to Repsol in order to process the transfer and update our internal records. Should additional information be required, you will be contacted by a Repsol representative. Repsol cannot process requests for retroactive changes in ownership.

4. What happens if an interest owner passes away?

Please contact the Repsol Good Neighbor Resolution Center in writing at the address noted above so that we may place the account in suspense, pending the outcome of probate or estate administration.

If the owner died with a will (testate) and probate proceedings have been conducted in the state where the property is located, please provide the following:

- Certified copy of death certificate
- Order issuing letters testamentary
- Order admitting will to probate
- Final decree, judgment or personal representative deed distributing the estate

If the owner died with a will (testate) and probate proceedings have been conducted in a state other than the state where the property is located, please provide the following:

- Certified copy of death certificate
- Documentation of ancillary probate proceedings opened in all affected jurisdictions
- Final decree, judgment or personal representative's deed distributing the estate

If the owner died without a will (intestate), please provide the following:

- Certified copy of death certificate
- Certified copy of an affidavit of heirship that is filed of record in the county where the property is located, that substantially follows the form provided in Texas Estates Code § 203.002, and that is signed by a person related to the owner but who does not inherit from the owner or, if none is available, a person possessing personal knowledge of the owner.
- If an owner died intestate, please contact an attorney to determine the requirements for settling the estate and transferring the owner's interest.

In all cases, please provide copies of documents effecting a change of ownership that have been filed of record in the county where the property is located.

Royalty payments

1. What is the purpose of my owner number?

Repsol assigns a unique owner number to identify each interest owner. When corresponding with Repsol, please always include your owner number. This number may be different from the owner number remitted by other working interest owners.

2. When are royalty payments sent out?

Royalty checks are typically mailed out around the end of each calendar month for payment of production occurring during the periods specified in the corresponding Interest Owner Statement. Please note that it may take up to 120 days after the end of the month of first sale of production from a well before royalties are paid on such well. Regardless of whether you receive a check or a direct deposit, Repsol's minimum payment amount is \$25.00. Your balance will accumulate each month and pay out once the \$25.00 minimum is reached.

3. Why have I not received my royalty payments?

Your interest may be in suspense, or your account has not reached Repsol's minimum payment amount. Your interest may be in suspense for various reasons, such as a dispute concerning title that affects payments, a reasonable doubt that the payee has sold its share



of the oil or gas or that the payee has clear title, or certain legal questions regarding the title, identity, or whereabouts of the payee.

4. What should I do if I do not receive my check, suspect my check is lost or stolen or my check becomes outdated?

Please allow fifteen (15) business days for delivery before reporting a missing check. If your check is stolen or lost, please call Repsol at 1-866-566-4747 so a stop payment can be issued. Checks cannot be re-issued until thirty (30) days after the issue date of the check. Checks must be cashed within 120 days of the issue date. If your check has not been cashed after 120 days, Repsol will void the check and place the funds in suspense.

(See also: “Why have I not received my royalty payments?” above.)

Your statement is also available electronically at:
www.repsol.us > Owner Relations > Account Login

For a username and password, please contact our service provider, EnergyLink (See also: “Can I view my royalty payment details online?” below.)

5. Why does my royalty payment amount vary from month to month?

Typical reasons may include, but are not limited to:

- Oil and gas volumes and/or prices may vary month to month
- Operational occurrences such as:
 - Weather conditions that may impact the volumes produced and sold
 - Shutting in of the well
- Ad-valorem tax deductions that may have been applied, or other regulatory or contractual changes
- Adjustments on prior months’ volumes or values that may have been applied
- Natural decline in production

If you believe an error in payment has occurred, please contact us at the Repsol Good Neighbor Resolution Center 1-866-566-4747 or infous@repsol.com.

6. What is a Form 1099?

A Form 1099 is a form required by the Internal Revenue Service (IRS) to report various types of income other than wages, salaries and tips (for which a Form W-2 is used instead). The payer of royalties (usually the oil and gas company) is required to complete a Form 1099. Three copies are made: one for the payer, one for the payee and one for the IRS. If the payer does not have the payee’s social security number or tax identification number, the payer is legally required to withhold state and federal income taxes. However, if the payee provides a tax ID number, they may elect to collect the gross proceeds and pay the income taxes themselves. It is important to note that certain other taxes, such as transportation or severance taxes (where applicable), will be deducted in any case, as they are not income tax.

7. Can I view my royalty payment details online?

Yes, in fact we strongly encourage that you do so. Typically, you can view your upcoming check a day or two (or more, in some cases) before it is mailed. Repsol uses a third-party provider called EnergyLink to provide secure online access to your royalty statements. To view your royalty statements online, please contact EnergyLink at <https://demo.energylink.com/contact>. The EnergyLink representative will request your owner number for identification purposes (seven-digit number located on the upper left-hand side of your check remittance). EnergyLink will provide you with a login name and a password to view and/or print your royalty statement. Statements will only be generated and uploaded to EnergyLink if a payment is released. So, if your account has a negative balance or has not reached the minimum payment amount of \$25.00, no statement will be generated.

To view your payment details online, visit:

www.repsol.us > Owner Relations > Account Login

8. Does Repsol offer direct deposit?

Yes. Payments can be directly deposited into a United States bank account designated by you. You can elect to receive electronic payments by completing the electronic payment form on our website and returning it by email, fax or mail. Your receipt of payment can be viewed on Energy Link. This payment option will not change how you receive your royalty statement. Your balance will accumulate each month and pay out once the \$25.00 minimum is reached.

9. Why are my royalty payments sometimes adjusted?

Repsol strives to disburse revenues in accordance with each owner's oil and gas lease and all statutes and regulations of the state in which the interest is located. However, when Repsol discovers and corrects an error or discrepancy in your payment, this may result in an adjustment to your payment.

10. Why are federal taxes being withheld from my royalty payments?

If a valid social security number or tax identification number is not provided on a Form W-9 (See "What is a Form 1099" above), the IRS requires withholding of 28% of all revenues (30% for foreign residents) until the information is provided.

11. Will I receive an income statement at the end of the year?

Repsol sends out an IRS Form 1099 to interest owners receiving more than \$10 and working interest owners receiving more than \$600 at the end of the calendar year summarizing payments for the year. The IRS compares the information you provided to them with the information that we provide to them when reporting your income. If the IRS finds a discrepancy, they will require Repsol to contact you to resolve the error. Some common causes of discrepancies include incorrect addresses, inverted numbers, name changes that were not reported to the IRS and the use of a spouse's social security number.



12. I have a question. Who should I contact?

Please contact Repsol directly at:

Good Neighbor Resolution Center

Phone: 1-866-566-4747

Email: infous@repsol.com