

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 typical oil and gas leases and royalties. Individual lease terms can vary greatly. Nothing herein shall be construed to modify or amend the terms of your lease agreements 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

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NOTIFICATIONS – OWNERS 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.

[Change of Address Form](#)

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 would be 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 the lessee 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 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 or will be 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 are 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
- If an owner died intestate, please contact an attorney to determine 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

5. What is the purpose of my owner number?

Repsol assigns a unique owner number in order 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.

6. When are royalty checks 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. A check will typically not be automatically issued if royalties due are less than 1) \$100 for properties located in Texas, or 2) \$25 for properties located in the northeastern US, except as required by law.

7. Why have I not received my royalty payments?

Your interest may be in suspense or your account has not reached Repsol's minimum pay by check 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.

8. 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 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 30 days after the issue date of the check. Checks must be cashed within 180 days of issue date. If your check is outdated, please write VOID on the check and return it to Repsol at the address below for reissue. Include a letter with your voided check asking for a reissue.

See also, "Why have I not received my royalty payments" above.



9. I received my Interest Owner Statement, but not my payment. When will I receive my payment?

Your payment is mailed around the same time as your interest owner statement; however please allow 15 days after the payment date for your payment to arrive. Your statement is also available electronically at:

www.repsolusa.com > Owner Relations > Owner Information > Account Login

For a username and password, please contact our service provider, Enverus. See section entitled "Can I view my royalty payment details online?"

10. 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:
 - Routine repairs
 - 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 have reason to 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.

11. What is a Form 1099?

A 1099 is a form required by the 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.

12. 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 Enverus to provide secure online access to your royalty statements. To view your royalty statements online, please call Enverus at 1-855-301-5241. The Enverus representative will request your owner number for identification purposes (seven-digit number located on the upper left-hand side of your check remittance). Enverus will provide you with a login name and a password to view and/or print your royalty statement. To view your payment details online, visit:

www.repsolusa.com > Owner Relations > Owner Information > Account Login



13. 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. You also have the option to receive a notice of payment by email when funds are deposited. This payment option will not change how you receive your royalty statement. You will be activated for electronic payment as soon as possible after receipt.

[Direct Deposit Form](#)

14. 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. For instance, we may receive adjusted production figures or adjusted pricing from a purchaser.

15. 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 Internal Revenue Service (IRS) requires withholding of 28% of all revenues (30% for foreign residents) until the information is provided.

[Sample W-9 Form](#)

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

Repsol sends out 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 in order 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.

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

Please contact Repsol directly at:

Good Neighbor Resolution Center
1-866-566-4747

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