



ROYALTY OWNERS

FREQUENTLY ASKED QUESTIONS (FAQS)

How do I change my name in Montare's records?

You can change your name by filling out the [Name Change Form](#) and submitting the appropriate documentation.

- For individuals, such documentation might include: a copy of a marriage certificate, divorce decree reinstating maiden name or other official document. A copy of your driver's license is not sufficient evidence to support a name change.
- For companies, such documentation includes Certificate of Name Change or Certificate of Merger.

In addition to the Name Change Form, you must complete and submit a new Internal Revenue Service (IRS) Form W-9.

How do I change my address?

Please notify Montare promptly of any change in address. Address changes must be received in writing by mail or email. For your convenience, a [Change of Address Form](#) can be found on our website at under Royalty Owners or Working Interest Owners.

Can I receive my royalty revenue via Direct Deposit (Automated Clearing House (ACH)/Electronic Funds Transfer)?

You can choose to enroll in our Direct Deposit program by completing the [Direct Deposit Form](#).

What is a Division Order?

A Division Order is an instrument used by companies to verify that the royalty owner's decimal interest in a well is correct and to agree that the company can make payments based on that decimal interest. A Division Order will describe the specific property involved, specifies the ownership of individual owners, and establishes certain responsibilities between the parties. The Division Order does not alter or amend an oil and gas lease.

Please be sure to sign and return your Division Order as soon as you are satisfied that it contains: (1) an accurate legal description and decimal interest for your ownership, (2) the correct spelling of your name, (3) your correct address, and (4) your Taxpayer Identification number.

What is the purpose of my "Owner Number"?

Montare assigns a unique number to each royalty owner as a means of identification. When corresponding with Montare, please always include your owner number.

What are "Property Numbers"?

Each well is given a unique property number. The owner number and the associated property number will appear on your account correspondence from Montare Operating including division orders and check details attached to payments made for production from the well(s). So that we may better assist you, please include your owner number and property number in any correspondence addressed to the company.

How are ownership updates processed?

When an ownership change is due to a sale or assignment of property, a copy of the deed or another conveyance instrument (properly recorded in the county or parish where the property is located) should be submitted to Montare Operating. Ownership changes due to death vary by state and whether or not the decedent had a will. Once notified of the death, Montare Operating will guide you through the process of transferring ownership to the legal heirs. Please see "[Documentation Requirements and Instructions for Change of Ownership](#)" for the list of required documents to evidence a change in ownership.



What type of annual statements will I receive?

In addition to revenue payments, royalty interest owners receiving more than \$10 and working interest owners receiving more than \$600 annually will receive IRS Form 1099. Form 1099 summarizes your total payments and tax withholding for the previous year.

Per IRS regulations, we are required to report payments to royalty and working interest owners as nonemployee compensation (NEC) via a 1099 NEC form. Form 1099 Miscellaneous Income (MISC) and Form 1099 NEC are mailed by January 31st. To request a copy of your tax form, or for questions about updating address or changing TINs, [contact us online](#).

Please note that Form 1099 NEC is a new form starting with the 2020 Tax Year for reporting nonemployee compensation. This information was formerly reported in Box 7 of Form 1099 MISC.

I have a question about my royalty check. Who should I contact?

Please contact Montare by phone, email or mail using the contact information below:

Montare Operating, Ltd.
Attn: Land Department
777 International Parkway, Suite 100
Flower Mound, Texas 75022
Email: royalty.owners@montare-resources.com
Phone: 469-993-1961

Why are adjustments made to my payments?

Occasionally we must make retroactive adjustments on current checks for prior payments. If Montare must make such an adjustment, it can impact the amount of your check. While we certainly try to avoid these types of adjustments, many of the causes are outside of our control.

Why does my payment amount vary from month to month?

Typical reasons may include but are not limited to:

1. Oil and gas volumes and/or prices may vary from month to month.
2. Operational occurrences such as the well being shut-in for repairs or weather conditions that may impact the volumes produced and sold.
3. Ad-valorem tax deductions that may have been applied.
4. Adjustments on prior month's volumes or values that may have been applied.

I own the same interest in a property as other owners, but our payments are for different amounts. Why?

Typical reasons may include but are not limited to:

1. One owner may own interest in other properties.
2. Ownership type and percentage may not be the same.
3. One owner may be in a suspended pay status.
4. One owner's payment may include activity related to stale-dated or returned checks.
5. One owner may have Federal Taxes withheld from their payment.

What is the interest type shown on my check and what does it mean?

Working Interest ("Wrk NRI") - The exclusive right granted to the lessee to explore for and to produce and own the oil and gas located under the lands covered by the oil and gas lease. The working interest owners bear all costs of exploration, development, and operation.

Royalty Interest ("Roy NRI") - Lessor's share of production as set forth in the oil and gas lease.

Overriding Royalty Interest ("Ovr NRI") - An interest in production that is created and payable out of the working interest.



When will I receive my revenue payment?

Revenue payments are generally mailed on or before the 25th of each month. If the 25th falls on a Saturday, Sunday or National Holiday, your payment will be mailed the following business day.

What should I do if I don't receive my payment when I think it is due or if my check is lost, stolen or becomes outdated?

- a. Please allow 15 business days for delivery before reporting a missing check. If your check is stolen or lost, please call 469-993-1961 so a stop payment can be issued.
- b. Checks must be cashed within 90 days of issue date. If your check is stale dated, please write VOID on the check and return to the Montare address below for reissuance.

**Montare Operating, Ltd.
Attn: Land Department
777 International Parkway, Suite 100
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- c. Returned, lost or stolen checks will be reissued with the next disbursement.

What is Montare's minimum check amount?

Minimum check amount is \$100. Amounts smaller than \$100 accumulate and are paid when \$100 has been reached or September 30th of each year if the amount accumulated is over \$10.

Why have I not received my revenue payment?

The most common reason is your account has not reached Montare's minimum pay amount. Montare's minimum payment amount is set to \$100. All minimum payment amounts under the \$100 are paid annually on or about September 30th.

If your monthly check has historically been greater than \$100 and is more than 15 days late, please contact our [Land Department](#).

When are royalty payments suspended?

For your protection, payments are suspended upon a title dispute, the assignment of interest, notice of death, transfer of property or in the event of no known address. Keeping your information current can prevent this inconvenience.

Why is backup withholding deducted from my Revenue check?

A valid Social Security Number (SSN) or TIN must be provided to Montare for reporting and identification purposes. If not, the IRS currently requires us to withhold 24% of all revenues received for oil and gas (30% for foreign residents) until your SSN/TIN information is provided to us. All backup withholding is reported on your 1099 at year-end; it is considered a payment to the IRS on your behalf. Montare does not issue refunds for backup withholding. Royalty owners can report the withholding on their income tax returns at the end of the year. [Click here](#) for a downloadable W-9 form to provide your TIN to Montare Operating.

Montare has partnered with EnergyLink to offer online access to your account information and the option to sign up for Direct Deposit.

If you currently have a username and password for EnergyLink you can log in at www.energylink.com. If you have never logged into EnergyLink you can go to the [Self Registration Tool](#). Owners can reach out to EnergyLink for help [here](#) or you can email for assistance at Help@energylink.com.

How do I transfer my interest in a property?

Interest may be transferred by a recorded instrument of conveyance. The conveyance must be recorded in the county where the property is located. Montare must receive a copy of the recorded conveyance to transfer interest and issue Division Orders. You may want to seek legal advice when preparing these documents. If transferring to a trust, please provide a copy of the document appointing Trustee.



What is unclaimed property?

Unclaimed Property is any intangible personal property that is held, issued, or owing in the ordinary course of business and has remained unclaimed by the apparent owner for a specified period after it became payable and is presumed abandoned.

Unclaimed property may also be referred to as “escheat,” “abandoned property,” and “unclaimed funds.”

Each state has unclaimed property laws that require certain assets to be considered abandoned after a period of inactivity, usually ranging from one to five years. During this abandonment period, Montare must make a concerted effort to seek out and return property to the rightful owners.

How do you claim property that has been escheated?

Each state has abandoned property or escheat laws that require the reporting of funds held for its residents. Once abandoned property has reached the state’s required dormancy period, it is paid to the state of the owner’s last known address.

How is unclaimed property reported?

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How do I research unclaimed property?

Each state tries to locate owners of unclaimed property. To locate and collect funds, contact the state(s) in which you now or previously resided. For additional information, visit the [National Association of Unclaimed Property Administrators](#).

How much is my property worth?

Due to the many variables involved in determining the estimated value of your property, we cannot provide such valuations. We recommend you contact an oil and gas broker in the area where the property is located to obtain this type of valuation.