



INTEREST OWNER RELATIONS CONTACT INFORMATION
810 Houston St, Fort Worth, TX 76102
Toll Free Phone: 1-866-886-2613
Hours of Operation: 8:00am-5:00pm/Central Time

FREQUENTLY ASKED QUESTIONS

1. What are the address, fax numbers and email addresses that will be helpful for me to know?

Click Here for a list of contacts

2. What are royalties?

Royalties are the mineral owner's proportionate share of production as reserved in an oil and gas lease.

3. When does XTO Energy issue royalty checks?

Revenue checks are issued at the end of each month if your revenue reaches our \$100.00 minimum, or depending on state regulations.

4. What if I want to receive a check once a year instead of when it meets the minimum requirements?

Send us a letter requesting your payment annually. Include your owner number and last 4 digits of your Social Security or Tax ID number for verification. These annual payments are released in December. Please note if the minimum \$10 revenue is not earned in a calendar year, a check would not be issued. Please mail your request to:

XTO Energy
Attn: Division Order Department
810 Houston St.
Fort Worth, TX 76102

5. Can I have my royalty check direct deposited to my bank account?

Yes. You must fill out and follow the instructions listed on our form. The information required **MUST** be mailed.

Click Here for our direct deposit form

6. How can I change my mailing address?

It is very important that you keep us informed of an address change, even if you are receiving funds via direct deposit into your bank account. A correct address on file will allow you to receive future XTO Energy mailings and 1099 tax information. Address changes must be received in writing.

Please send changes to:

XTO Energy
ATTN: Division Order Department
810 Houston St
Fort Worth, TX 76102

The change request **MUST** include your owner number, name, old address, new address, last 4 digits of your social security/tax identification number and signature of the account holder. If the account with XTO Energy is a joint account, both account holders must sign the change of address form.

[Click Here](#) for our change of address form

7. Will the royalty check vary?

Yes. Many factors contribute to your payment, such as market conditions, fluctuating commodity prices, regulatory or contractual changes and production volumes.

8. Why am I not getting paid for the current month of production?

Gas and Oil revenues are generally paid 1-3 months after the actual production date, in accordance with state regulations and lease terms.

9. Can the revenue paid to me be adjusted after the check has been issued?

Yes. Royalty accounts are subject to adjustment, either upward or downward, whenever computational errors are discovered. Adjustments on your check detail can be identified by a positive and negative entry listed under the "Your Net" column on your revenue check. The negative entry will indicate what was previously paid to you on a prior royalty check. The positive entry right above it will indicate the amount that should have been paid to you. The difference is the adjustment to you for that specific production month. There are many factors that may result in a prior period adjustment, such as:

- Revised production statements from the property operator
- Revised plant statements from a plant operator
- Corrected data received after an unexpected operational change (often due to a mechanical failure that interrupts normal operations or a major weather event)
- Revised pricing information from third parties
- Revised allocation statements or pricing information due to audit findings
- Accounting errors
- Retroactive tax incentives provided by government authorities

A discrepancy may be identified several years after the original accounting for a given production month, and because many parties have input into the accounting process, there may be multiple revisions over any period of time.

10. Can royalty checks stop being issued to me?

Yes. Royalty payments are dependent on production from wells. The well(s) you are paid from may be shut down for maintenance or may stop producing. There is no guarantee on the life of a well or the amount or frequency of revenue payments.

11. Will I be notified of adjustments to my check or if revenue is going to stop?

You will generally not be notified of adjustments or a stop in payment; however, there are some exceptions.

12. How is the pricing of oil and gas determined?

Crude oil and natural gas are commodities, and their value is subject to daily swings in the marketplace. XTO Energy continually negotiates to get the most favorable prices possible.

13. What should I do if I do not receive a check that was issued to me?

If you have not received your check and have waited 15 business days from the date the check was originally mailed, our Revenue Department will gladly process a void of the original check and re-issue the funds to you on the next available check write date. Once we void your check, please do not attempt to cash it. The check will be voided in our system and will no longer be honored when presented for payment.

14. What should I do if I ever lose my check, it is stolen, or I forget to cash it before the 180 days listed on the check?

- If you lose your check, please contact our office so that we may void and re-issue the check at our next check write date.
- If your check is stolen, contact XTO immediately at our main toll free number: 1-866-886-2613.

- Please note that all XTO Energy royalty checks are voided 180 days after issuance. It is important payments are cashed, regardless of the amount, prior to the 180-day mark. After 180 days, a check is considered “stale dated” and XTO Energy will no longer honor the check when presented for payment. Thus, the check will automatically be voided and re-issued on a subsequent check.

15. Will I have to pay taxes on the revenue I receive?

Yes. Royalty interest owners receiving more than \$10.00, and working-interest owners receiving \$600.00 or more annually will receive an IRS Form 1099-Misc by January 31st of the following year. The income reported to the IRS is your gross income prior to any other deductions or taxes. The 1099 will also list any state or U.S. withholding amounts deducted from your revenue checks.

You may also receive an annual property tax bill (Ad Valorem tax) from the county (or parish) in which your well(s) are located.

16. What is an Ad Valorem Tax?

Ad Valorem taxes on minerals are levied at the County level. Ad Valorem is Latin for *according to value*. In Texas (and in some other states), this tax becomes payable only when minerals are producing (as opposed to non-producing), and are billed and collected once per year.

Mineral interests are classified as real property, and are taxed based on the appraised Fair Market Value. In its simplest form, fair market value is the price a willing buyer from the open market will pay for a mineral interest within the currently prevailing market conditions.

17. There is a “Sev/Prod Tax” deducted from my revenue check. What is this tax?

A severance/production tax is a state tax levied against both royalty and working interest owners upon their pro rata share of oil and gas production.

State governments set owner severance tax rates and levy the tax when natural resources such as oil and gas are “severed” from the earth.

In addition, county governments render and collect a yearly “ad valorem tax” on producing minerals in many states. Owners are usually assessed and billed annually directly from the county where the well(s) are located.

18. What is the difference between a royalty owner and a working interest owner?

A royalty owner shares in production revenues, while a working-interest owner shares in both production revenues and development and operating expenses.

19. How do I calculate my decimal interest (my proportionate share of production)?

The basic formula for calculating your decimal interest is to take the number of mineral acres you own, divide that by the number of acres in the unit (listed as the property description on your division order) then multiply by the royalty rate in your lease. However, there are many variations in this formula. Should you have any questions, please contact our Division Order Department for more information.

$(\text{Acres you own} / \text{Total Acreage in the unit}) \times \text{Royalty Rate stated in your lease} = \text{Your Decimal Interest}$

20. What happens when the interest owner of a property passes away?

Please contact our Division Order Department at the main toll free number. Upon notifying XTO Energy’s Division Order Department, XTO will send you a letter of instruction, outlining the documents necessary to transfer the interest to the proper heirs or devisees.

21. Do you have a beneficiary form?

No. The owner needs to designate their wishes for transfer of mineral rights in a will or by other means.

22. How do I report a change of ownership, other than an owner passing away?

XTO Energy will not process a change of ownership without receiving the request in writing, accompanied by a recorded conveyance document from the record title owner. This conveyance must clearly describe the property to be transferred, along with the conveyance recording information for the county in which the property is located. All of this must be mailed to XTO Energy, Attn: Division Order Department or faxed to the Division Order Department. (See list of fax numbers below) Please include the following information:

- Name of current owner & Owner Number if available
- A **copy** of the recorded conveyance, assignment or deed
- Your name, address & social security number or tax ID number
- A phone number including area code, where the contact person can be reached during the day
- E-mail address, if available

For specific instructions on how to transfer your revenue interest or additional questions you may have about the process, please call 1-866-886-2613 to speak to someone in our Division Order Department.

23. Does the disclosure of company information affect me?

Yes. Due to the proprietary nature of the information, XTO Energy may not always be able to respond to certain questions you may have regarding properties. Information not for general release includes:

- Forecasts of production
- Future development plans
- Reserve estimates

24. Can I request for XTO Energy to withhold federal taxes from my check?

No. You will receive a 1099 at the end of the year to review with your tax preparer.

25. What should I do if I want to sell my mineral rights to XTO?

Contact the Lease Department at XTO. Your request, and information, will be sent to a landman for evaluation.

[Click Here](#) for a list of contacts

26. Where can I obtain information on the value of my mineral rights?

Due to the many variables involved in determining the estimated value of a property, we do not provide such valuations. However, you can contact an independent business or professional who offers this service for assistance.

27. Who do I contact to see if XTO will lease my property?

Call the Lease Department at XTO. Have available the county, state, number of acres and legal description of your property. If you are in Pennsylvania, have the Tax Parcel numbers available. The information will be forwarded to the landman who is responsible for that county and state. If we are leasing in that area, we will have an outside broker contact you on XTO's behalf.

28. What is an extension payment?

There may be a clause in your lease that gives XTO the right to extend the primary term of your lease by making a specified payment. Extensions are at XTO's discretion, and if exercised, occur at the time your lease is scheduled to expire. They are non-negotiable.

29. How do I change my Social Security or Tax ID number on file?

All change requests must be received in writing. You must submit a W9 form by mail together with the following information:

- Your Name
- Owner Number
- Old Social Security or Tax ID number for verification
- New Social Security or Tax ID number

- Daytime phone number including area code
- Email address if available
- Reason for change

Click Here for a W9 form

30. Will I receive a 1099 every year?

Royalty owners who received \$10 or more and working interest owners who received \$600 or more in the calendar year will receive a 1099. We mail 1099s on or about January 31st of the following year. The income reported to the IRS is your gross income prior to any other deductions or taxes. The 1099 will also list any state or federal backup withholding amounts deducted from your revenue checks. The 1099 can also be used to report state income tax.

31. How do I research unclaimed funds?

Funds are reported to various states based on the state of the owner's last known address of record. If the address is unknown, the funds are reported to XTO's state of incorporation, which is Delaware. To claim funds reported as unclaimed by XTO, you will need to contact the state. Web sites you might find helpful are: www.unclaimed.org or www.missingmoney.com.