



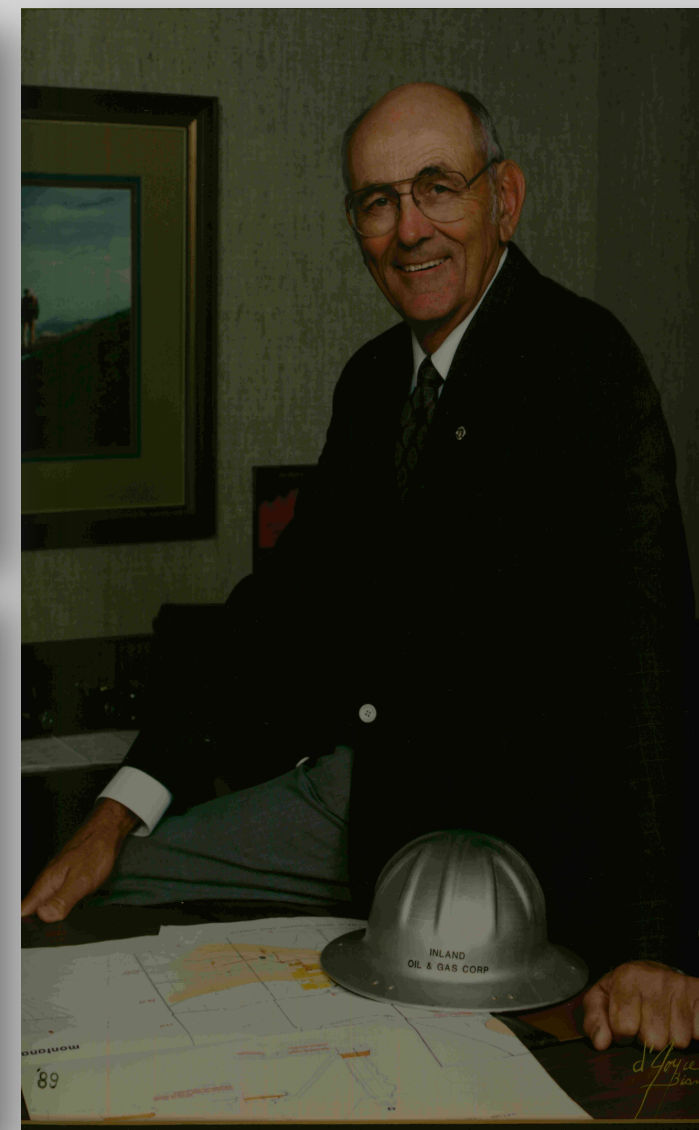
MINERAL MANAGEMENT

2021 UND Law Review Energy Symposium

Kate Black, Inland Oil & Gas



- Lease Broker
- Shallow Gas Operator
- **Non-Operator / Working Interest Owner**
- **Royalty Purchaser**
- **Mineral Consulting & Appraisals**



MINERAL MANAGEMENT



UNDERSTAND AND
CALCULATE YOUR
OWNERSHIP DECIMALS



AUDIT, MANAGE AND
MITIGATE ISSUES



VALUATIONS AND
UNDERSTANDING CASH FLOW



UNDERSTAND AND CALCULATE YOUR OWNERSHIP DECIMALS

Working Interest & Net Revenue Interest

Ownership, explained...



Dan

- Researches County Records and finds that Maria owns minerals and is unleased.
 - Maria is interested in having her minerals developed and agrees to lease to Dan.
 - AKA
 - Lease Owner
 - Lessee
 - Working Interest Owner
-
- Pays Maria \$7,500 for signing the lease
 - Responsible for 100% of the costs to develop Maria's net acres
 - Receives 80% of the revenue

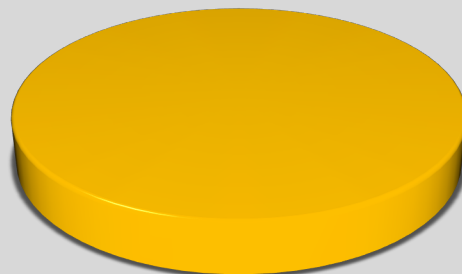


Maria

- Owns 10 net acres
 - Signed a lease with Dan
 - Royalty: 20%
 - Term: 3 Years
 - Bonus: \$750/acre
 - AKA
 - Mineral Owner
 - Lessor
 - Royalty Interest Owner
-
- Receives \$7,500 for signing lease
 - Responsible for 0% of the costs to develop her mineral acreage
 - Receives 20% of the revenue

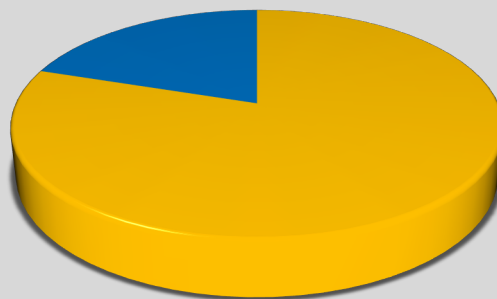


Well Expenses



■ Dan 100%

Well Revenue



■ Dan 80%
■ Maria 20%



WORKING INTEREST (WI)

- This is the COST BEARING decimal interest.
- This is the decimal that Joint Interest Billings (JIBs) use to divvy up well expenses.
 - Well expenses are divided into 3 categories for different taxation methods.
 1. Tangible
 2. Intangible
 3. Lease Operating
- This interest usually belongs to
 - an operator who owns a lease and is also drilling the well
 - a non-operator who has taken a lease from a mineral owner
 - an unleased mineral owner

$$WI = \frac{\text{Net Acres}}{\text{Gross Acres in Spacing Unit}}$$

Dan, Lease Owner



NET REVENUE INTEREST (NRI)

- This is the REVENUE decimal interest, used to divide up well income
- This calculation looks a little different depending on who it belongs to:

Maria, Mineral Owner

$$\text{NRI} = \frac{\text{Net Acres} \times \text{Royalty \%}}{\text{Gross Acres in Spacing Unit}}$$

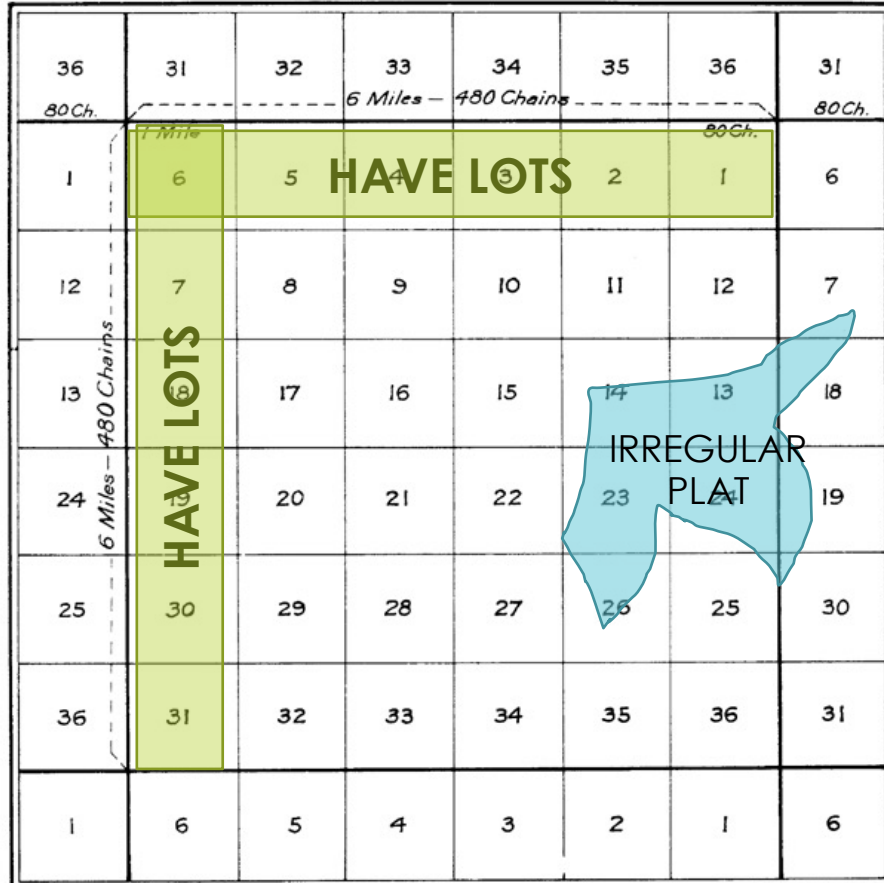


Dan, Lease Owner

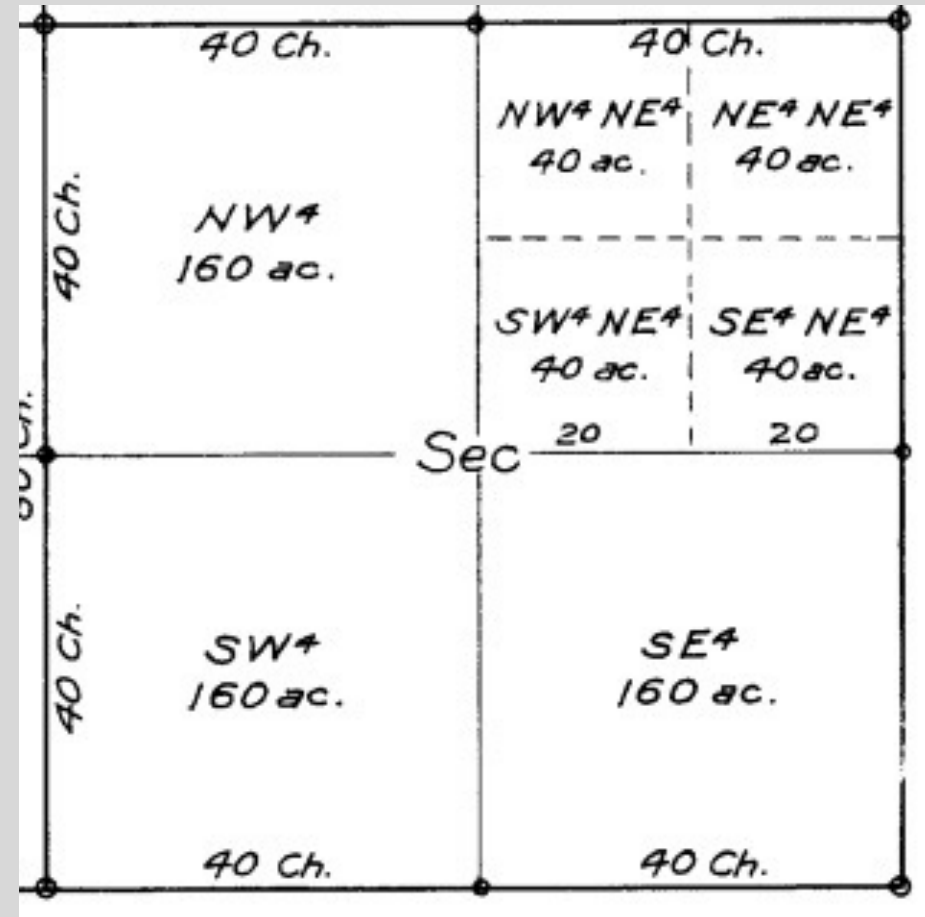
$$\text{NRI} = \frac{\text{Net Acres} \times (1 - \text{Royalty \%})}{\text{Gross Acres in Spacing Unit}}$$



THEORETICAL
TOWNSHIP DIAGRAM
SHOWING
METHOD OF NUMBERING SECTIONS
WITH ADJOINING SECTIONS



T.Y.S.



Home - BLM GLO Records

Google

glorerecords.blm.gov/default.aspx

Apps

iDoc

NDRIN

Oil and Gas Subscri...

MCVV

Montana GIS

USB SinglePoint

BLM Records

Google Classroom

National Philanthro...


Data Illustrates Evol...


r.


BPSapps / Student...

U.S. DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT







30 City Commons.

31 Thos David Unquhart

32 Joseph McVitt

33

Search Documents

Reference Center

Support

The Official Federal Land Records Site

Welcome to the Bureau of Land Management(BLM), General Land Office (GLO) Records Automation web site. We provide live access to Federal land conveyance records for the Public Land States, including image access to more than five million Federal land title records issued between 1788 and the present. We also have images of survey plats and field notes, land status records, and control document index records. Due to organization of documents in the GLO collection, this site **does not** currently contain every Federal title record issued for the Public Land States.

Latest News and Updates

4/5/2021 ****Planned Outage April 10****: *The Bureau of Land Management is planning an outage to perform maintenance on April 10, 2021, fro...


Subscribe to General Land Office Record of the Week [here](#).


Land Patents


Federal Land Patents offer researchers a source of information on the initial transfer of land titles from the Federal government to individuals. In addition to verifying title transfer, this information will allow the researcher to associate an individual (Patentee, Assignee, Warrantee, Widow, or Heir) with a specific location (Legal Land Description) and time (Issue Date). We have a variety of Land Patents on our site, including Cash Entry, Homestead and Military Warrant patents.

Survey Plats and Field Notes

Survey plats are part of the official record of a cadastral survey. Surveying is the art and science of measuring the land to locate the limits of an owner's interest thereon. A cadastral survey is a survey which creates, marks, defines, retraces or re-establishes the boundaries and subdivisions of Federal Lands of the United States. The survey plat is the graphic drawing of the boundaries involved with a particular survey project, and contains the official acreage to be used in the legal description.







Gross Acres in Spacing Unit

Section 10 = 640

Section 11 = 640

Section 14 = 640

+ Section 15 = 640

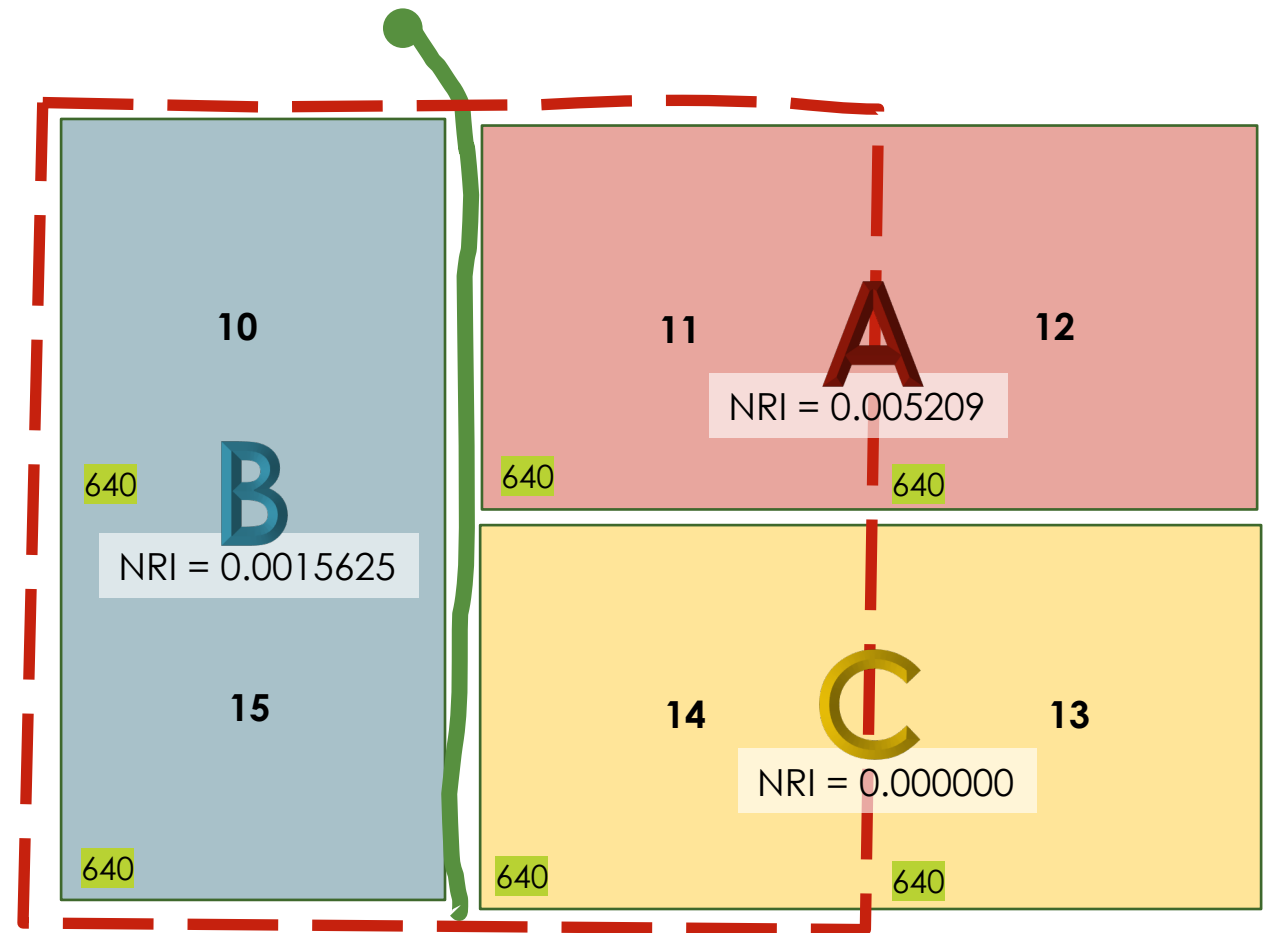
2560

WEIGHTED %

A 11&12 = 640/2560 = 0.25

B 10&15 = 1280/2560 = 0.50

C 13&14 = 640/2560 = 0.25



Spacing Unit 11/12(A) 10/15(B) 13/14(C)

0.25

0.50

0.25

X

X

X

0.005209

0.0015625

0.0000

0.001302

+

0.00078125

+

0.0000

= 0.00208325 NRI in "Green" well. (0.208%)



AUDIT, MANAGE AND MITIGATE ISSUES

HOW-TOS, TIPS & TRICKS

MANAGE: Important Documents

- **Vesting Document**

- PRMD, MD, QCMD, WD without reservation, etc.

- **Oil & Gas Lease (If Leased)**

- OGL or Memo of OGL
 - Offer Letter – usually contains \$/ac bonus and net acres for each legal description
 - Company/Person you lease to isn't necessarily the one who drills or operates the well

- **Well Ballot (If Unleased)**

- Option to Participate, go non-consent or lease your interest.

- **Division Order**

- Includes well name(s), Spacing Unit or 'Property Description', Interest Type, Decimal Interest, sometimes net acres.
 - Not required to sign in ND, will not change your ownership. Interests can change if there is a change in title interpretation.

- **Revenue Statements**

- It never hurts to keep these – especially digitally.



KEEP!

Enerplus Resources (USA) Corporation

NOV 08 2018

DIVISION ORDER – Your Copy

To: Enerplus Resources (USA) Corporation
950 – 17th Street, Suite 2200
US Bank Tower
Denver, CO 80202

Date: November 1, 2018
Effective Date: November 1, 2018

Property Number: 1000897
Property Name: NICKEL 147-93-16B-21H-TF
Operator: ENERPLUS RESOURCES (USA) CORPORATION
County and State: DUNN, ND
Property Description: T147N R93W SEC 16 & 21: 1280
Product: OIL

Owner Name: INLAND OIL AND GAS CORPORATION
Address: PO BOX 1313
419 RIVERWOOD DRIVE, SUITE 101
BISMARCK, ND 58502
Owner Number: 14024
Interest Type: WI
Decimal Interest: 0.00520833

Reverse Calculate to Confirm.

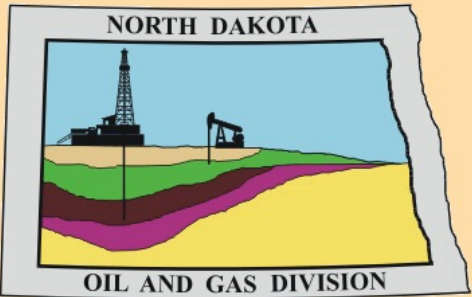
The undersigned certifies the ownership of their decimal interest in production or proceeds as described above payable by Enerplus Resources (USA) Corporation.

Payor shall be notified, in writing, of any changes in ownership, decimal interest, or payment address. All such changes shall be effective the first day of the month following receipt of such notice.

Payor is authorized to withhold payment pending resolution of a title dispute or adverse claim asserted regarding the interest in production claimed by the undersigned. The undersigned agrees to indemnify and reimburse Payor any amount attributable to an interest to which the undersigned is not entitled.

Payor may accrue proceeds until the total amount equals \$100.00, or pay annually, whichever occurs first, or as required by applicable

- Services
- Rules & Regulations
 - Policies & Guidance
 - Forms
 - Hearing Dockets
 - Active Drilling Rigs
 - Daily Activity Reports
 - Information Center
 - Confidential Well List
 - General Statistics
 - Seismic
 - Well Search
 - Report a Spill/Incident
 - Gathering Pipelines
 - GIS Map Server
 - Publications
 - Surface Mineral Owner
 - Basic Services
 - Premium Services
 - Electronic Filing
 - Related Links
 - FAQ & Web Help
 - Employment & Bid Opportunities
 - Bakken and Three Forks Information
 - Contact Us



North Dakota Oil & Gas

Lynn D. Helms, Director Bruce E. Hicks, Assistant Director

[Case File #28530](#)

[Confiscation Hearing, June 10, 2020 - Case File #28495](#)


[Case 28495 Wells Confiscated Subject to Director's Orders issued after September 1, 2020](#)


[Bakken Restart Task Force Action](#)


[NorthSTAR - North Dakota Statewide Tracking and Reporting System Information](#)

[For oil conditioning, gas capture information and more visit our Policies and Guidance](#)

The Oil and Gas Division regulates the drilling and production of oil and gas in North Dakota. Our mission is to encourage and promote the development, production, and utilization of oil and gas in the state in such a manner as will prevent waste, maximize economic recovery, and fully protect the correlative rights of all owners to the end that the landowners, the royalty owners, the producers, and the general public realize the greatest possible good from these vital natural resources.

 Adobe Acrobat Reader is required to view some content on this web site.

 Flash Player is required to view some content on this web site.

 This web site was developed in cooperation with the Ground Water Protection Council (GWPC) and the Department of Energy (DOE) using the [Risk Based Data Management System](#) (RBDMS). RBDMS is a winner of a DOE Energy 100 Award.

AUDIT & MANAGE

Compile a list of your mineral assets:

Mineral File Tracker - Saved															
Mineral File Tracker															
Mineral File	County	Township	Range	Section: Legal	Gross	Net	Production Status	Doc #	Doc Type	Effective Date	Lessee	Royalty	Doc #	Exp Date	
ND-003	Burke	162	91	15: SW	160	8	Cornerstone's Ingerson Spacing Unit	254227	QCMD	11/24/2014	Leasing Company XYZ	0.1875	269856	6/8/2016	
ND-004	Burke	160	92	7: NW	160	32	Oasis' Mitbo Spacing Unit	254227	QCMD	11/24/2014	Leasing Co. 123	0.1667	298751	7/9/2015	
ND-005	Burke	163	93	20: NWNW	40	4.444	Not Producing	251001	MD	7/21/2013		Unleased			
ND-005	Burke	163	93	21: N2	320	35.56	Not Producing	251001	MD	7/21/2013		Unleased			
ND-005	Burke	163	93	22: NENE	40	4.444	Not Producing	251001	MD	7/21/2013		Unleased			

CLICK TO
DOWNLOAD
TEMPLATE

AUDIT & MANAGE

Compile a list of your producing wells:

Well Tracker - Saved													
View													
<div> <div> <div>AutoSave Off</div> <div> <div>Keep</div> <div>Exit</div> <div>New</div> <div>Options</div> </div> </div> <div> <div>Normal</div> <div>Page Break Preview</div> <div>Page Layout</div> <div>Custom Views</div> </div> <div> <div> <input checked="" type="checkbox"/> Ruler <input checked="" type="checkbox"/> Formula Bar </div> <div> <input checked="" type="checkbox"/> Gridlines <input checked="" type="checkbox"/> Headings </div> </div> <div> <div>Zoom 100%</div> <div>Zoom to Selection</div> </div> <div> <div>New Window</div> <div>Arrange All</div> <div>Freeze Panes</div> <div>Split</div> <div>Hide</div> <div>Unhide</div> </div> <div> <div>View Side by Side</div> <div>Synchronous Scrolling</div> <div>Reset Window Position</div> </div> <div> <div>Switch Windows</div> <div>Macros</div> </div> </div>													
<div> <div>I21</div> <div> <div>X</div> <div>✓</div> <div>fx</div> </div> </div>													
	A	B	C	D	E	F	G	H	I	J	K	L	M
1	WELL TRACKER												
2	Permit #	Operator	Well Name	NRI	Spud Date	Prod Date	TPW	RG	SEC (Unit)	SUR LOC	L/M File	Field	Formation
3	33178	Hess	BL-A Iverson-155-96-1312H-7	0.00000518	5/20/2017	11/18/2017	155	96	12-13	13: SESE	ND-00134	Beaver Lodge	Bakken
4	33177	Hess	BL-A Iverson LE-155-96-1312H-1	0.00002439	5/18/2017	11/19/2017	155	95-96	7-8(95) & 12-13(96)	13: SESE	ND-00134	Beaver Lodge	Bakken
5	24696	Zavanna	Usher 28-21 1H	0.00115741	6/24/2017	1/9/2018	151	100	21-28	28: SESW	ND-00170, ND-00170.1	Poe	Bakken
6	33052	Crescent Point	CPEUSC Keith 2-16-21-158N-101W	0.00347222	12/2/2017	2/15/2018	158	101	16-21	16: NWNE	ND-00457	Little Muddy	Bakken
7	29710	Continental	Thorvald 3-6H	0.00108955	10/15/2017	3/10/2018	146-147	96	6,7,18(146) & 31(147)	7: NWNE	ND-00034	Rattlesnake Point	Bakken
8	29712	Continental	Cuskelly 3-7H	0.00108955	12/8/2014	3/15/2018	146-147	96	6,7,18(146) & 31(147)	7: NWNE	ND-00034	Rattlesnake Point	Bakken
9	29713	Continental	Thorvald 4-6H1	0.00108955	12/4/2014	3/15/2018	146-147	96	6,7,18(146) & 31(147)	7: NWNE	ND-00034	Rattlesnake Point	Bakken
10	29711	Continental	Cuskelly 4-7H1	0.00108955	12/10/2014	3/22/2018	146-147	96	6,7,18(146) & 31(147)	7: NWNE	ND-00034	Rattlesnake Point	Bakken
11	31294	Slawson	Serpent Federal 7-36-32TFH	0.00279204	9/21/2017	5/2/2018	151	91-92	31-32(91) & 36(92)	35: SENE (92)	ND-00455	Big Bend	Three Forks
12	31434	Slawson	Osprey Federal 2 SLH	0.00139608	6/5/2017	5/12/2018	151	91-92	W2 29&32, 30&31(91) and E	26: SWSE	ND-00455	Big Bend	Bakken
13													
14													
15													
16													

CLICK TO
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TEMPLATE

MITIGATE & RESOLVE ISSUES

- Contact Owner Relations
 - Email – find on website
 - What information to Include:
 - Owner/Entity's name
 - owner number that is listed on your revenue checks/JIBs.
 - Explanation of issue
 - Can't calculate a decimal?
 - Aren't receiving payment?
 - **After transferring/recording a document you also need to submit to Owner Relations for them to transfer payment/interest.**

Contact Us Regarding

- Revenue payments
- Division orders
- Existing surface ownership or lease
- 1099s
- Joint interest billings
- Accounts payable

Continental Resources

Attn: MDG Department

P.O. Box 269000

Oklahoma City, OK 73126

Email: ownerrelations@clr.com

Phone: 1-844-883-5CLR (5257)



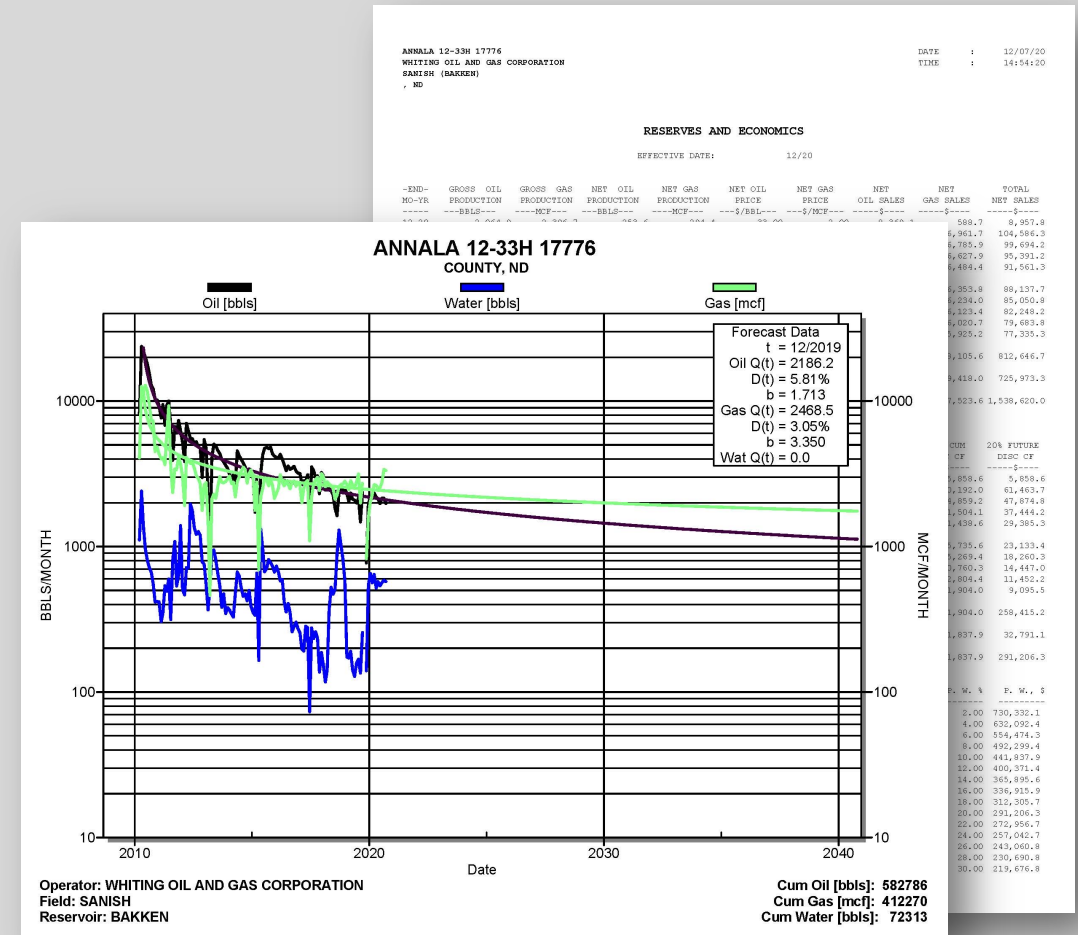
About Continental
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VALUATIONS AND UNDERSTANDING CASH FLOW

Valuations & Appraisals

- Reasons to get an appraisal
 - Deaths – Estate Value
 - Divorces
 - Sale – what to expect
 - Gifting / Contribution to Trust or other entity
 - Loan Collateral
 - Tax Planning
 - Cost Depletion v. Percentage Depletion.



Tax Planning

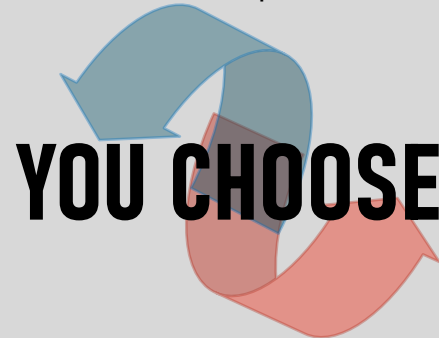
◦ Percentage Depletion

- Tax deduction of 15% of gross royalties annually.
- Requires no forecasting and can be calculated easily from 1099s for royalty interest owners.

Limitations:

Percentage Depletion cannot exceed 65% of total taxable income.

If average daily production exceeds 1,000 barrels per day – use cost depletion.



◦ Cost Depletion

- Tax deduction of ACTUAL well depletion
- Use a well evaluation to estimate remaining EUR (Estimated Ultimate Recovery)
- Calculate well's actual BOE (Barrel of Oil Equivalent) produced each year.

$$\text{Depletion \%} = \frac{\text{BOE Produced}}{\text{Remaining EUR}}$$

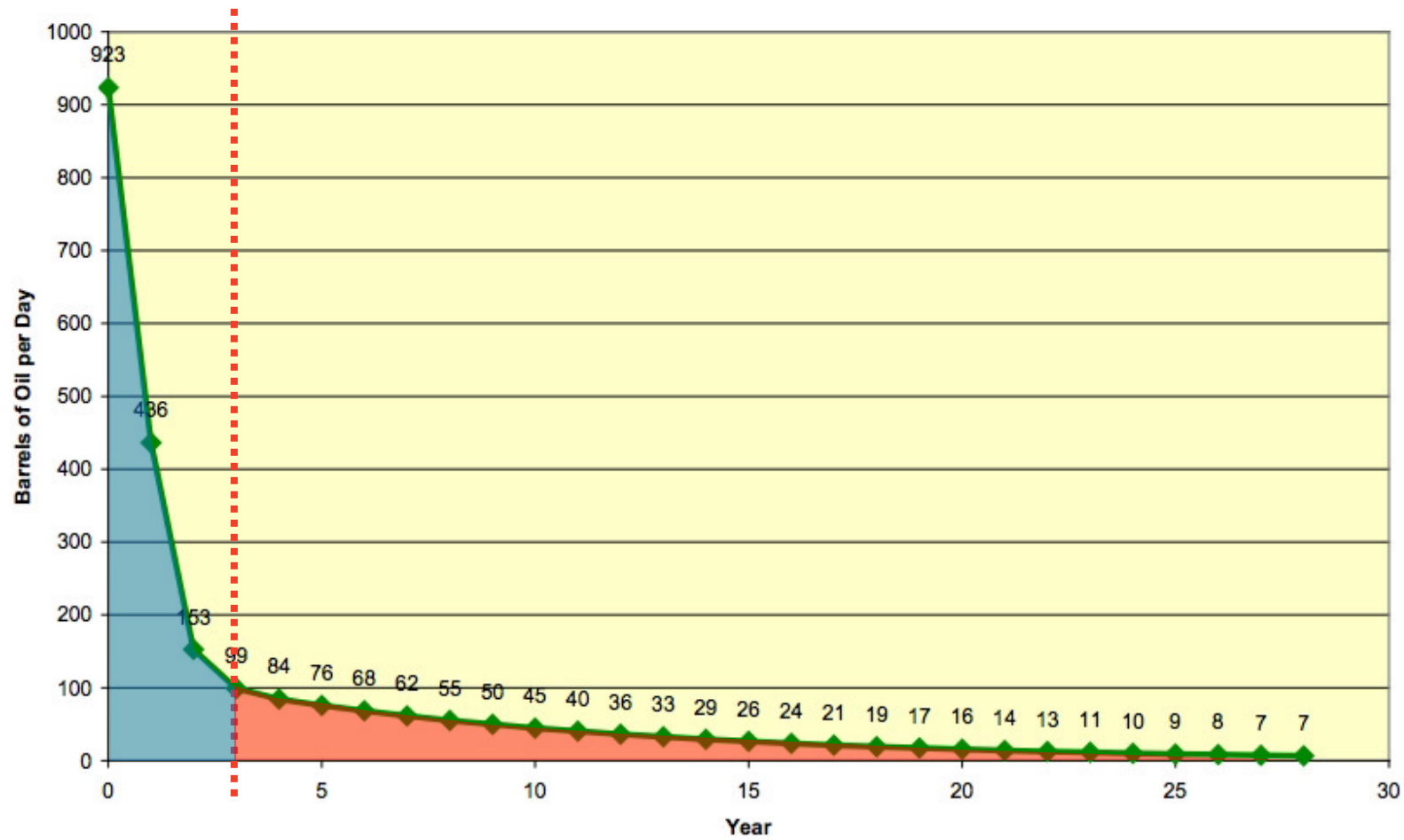
$$\text{Depletion \%} \times \text{Cost Basis} = \text{Cost Depletion}$$

- May continue until cost basis is fully depleted and then switch to Percentage Depletion.

Works best for:

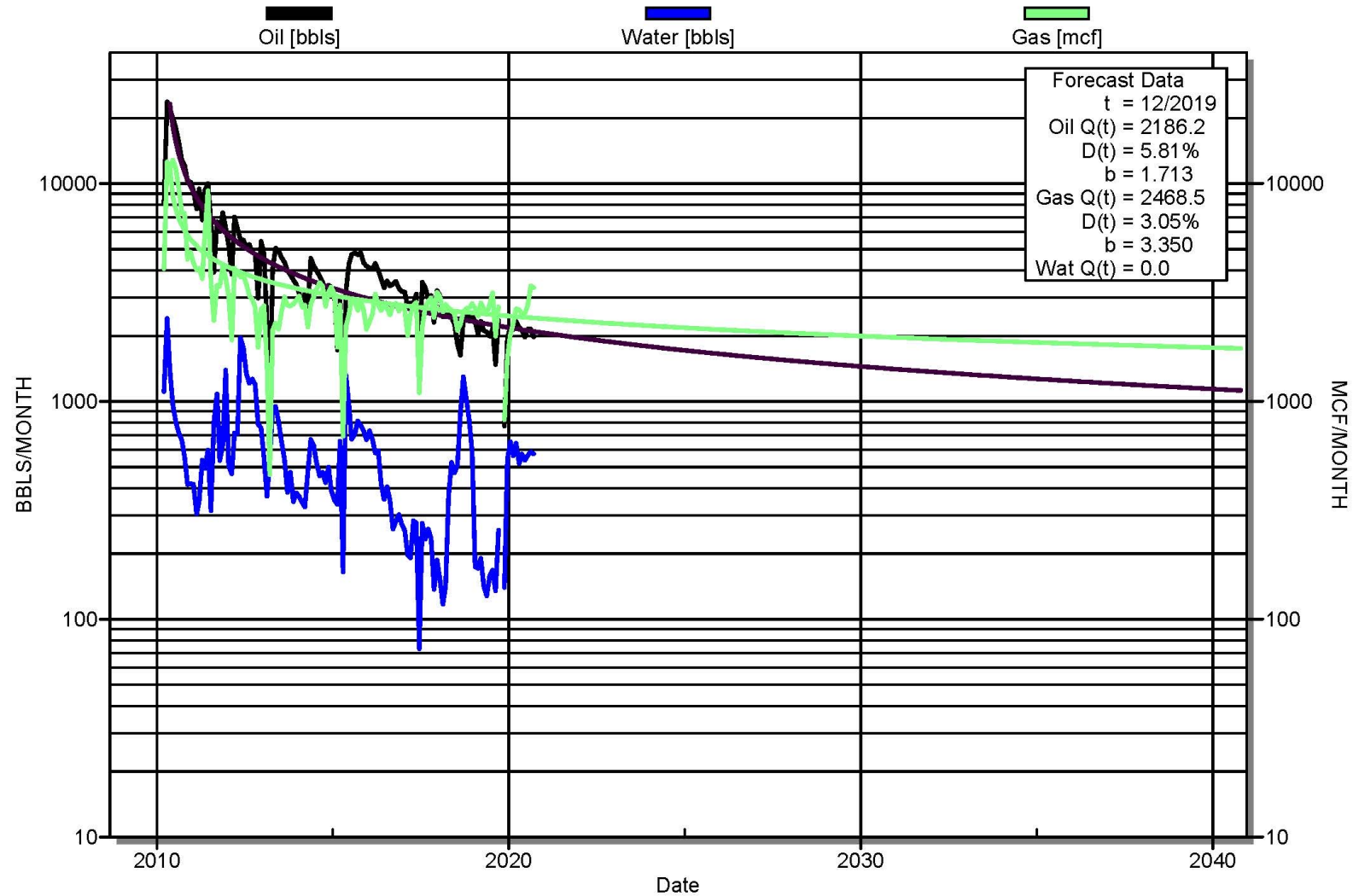
- new wells with steep declines
- High or new cost-basis to deduct from

Typical Bakken Well Production



ANNALA 12-33H 17776

COUNTY, ND



Operator: WHITING OIL AND GAS CORPORATION
Field: SANISH
Reservoir: BAKKEN

Cum Oil [bbls]: 582786
Cum Gas [mcf]: 412270
Cum Water [bbls]: 72313

ANNALA 12-33H 17776
WHITING OIL AND GAS CORPORATION
SANISH (BAKKEN)
, ND

DATE : 12/07/20
TIME : 14:54:20

RESERVES AND ECONOMICS

EFFECTIVE DATE: 12/20

-END- MO-YR	GROSS OIL PRODUCTION	GROSS GAS PRODUCTION	NET OIL PRODUCTION	NET GAS PRODUCTION	NET OIL PRICE	NET GAS PRICE	NET OIL SALES	NET GAS SALES	TOTAL NET SALES
-----	---BBLs---	---MCF---	---BBLs---	---MCF---	---\$/BBL---	---\$/MCF---	-----	-----	-----
12-20	2,064.9	2,396.7	253.6	294.4	33.00	2.00	8,369.1	588.7	8,957.8
12-21	24,086.8	28,341.2	2,958.3	3,480.8	33.00	2.00	97,624.6	6,961.7	104,586.3
12-22	22,923.2	27,625.5	2,815.4	3,392.9	33.00	2.00	92,908.3	6,785.9	99,694.2
12-23	21,900.5	26,982.3	2,689.8	3,313.9	33.00	2.00	88,763.3	6,627.9	95,391.2
12-24	20,990.9	26,398.4	2,578.1	3,242.2	33.00	2.00	85,076.8	6,484.4	91,561.3
12-25	20,178.5	25,866.6	2,478.3	3,176.9	33.00	2.00	81,783.9	6,353.8	88,137.7
12-26	19,446.4	25,378.7	2,388.4	3,117.0	33.00	2.00	78,816.8	6,234.0	85,050.8
12-27	18,782.2	24,928.6	2,306.8	3,061.7	33.00	2.00	76,124.8	6,123.4	82,248.2
12-28	18,174.9	24,510.3	2,232.2	3,010.3	33.00	2.00	73,663.2	6,020.7	79,683.8
12-29	17,619.0	24,121.6	2,163.9	2,962.6	33.00	2.00	71,410.2	5,925.2	77,335.3
S TOT	186,167.3	236,549.7	22,864.9	29,052.8	33.00	2.00	754,541.1	58,105.6	812,646.7
AFTER	164,458.6	241,892.6	20,198.6	29,709.0	33.00	2.00	666,555.3	59,418.0	725,973.3
TOTAL	350,625.9	478,442.3	43,063.5	58,761.8	33.00	2.00	1,421,096.4	117,523.6	1,538,620.0

-END- MO-YR	NET ADVAL & PROD. TAXES	DIRECT OPER EXPENSE	EQUITY INVESTMENT	SALVAGE	FUTURE NET CASHFLOW	CUMULATIVE CASHFLOW	10% FUTURE DISC CF	10% CUM DISC CF	20% FUTURE DISC CF
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
12-20	853.4	2,245.8	0.0	0.0	5,858.6	5,858.6	5,858.6	5,858.6	5,858.6
12-21	9,957.4	26,949.7	0.0	0.0	67,679.2	73,537.8	64,333.3	70,192.0	61,463.7
12-22	9,480.8	26,949.7	0.0	0.0	63,263.6	136,801.4	54,667.2	124,859.2	47,874.8
12-23	9,061.9	26,949.7	0.0	0.0	59,379.5	196,180.9	46,644.9	171,504.1	37,444.2
12-24	8,689.2	26,949.7	0.0	0.0	55,922.3	252,103.2	39,934.6	211,438.6	29,385.3
12-25	8,356.3	26,949.7	0.0	0.0	52,831.7	304,934.9	34,297.0	245,735.6	23,133.4
12-26	8,056.2	26,949.7	0.0	0.0	50,044.8	354,979.7	29,533.8	275,269.4	18,260.3
12-27	7,783.9	26,949.7	0.0	0.0	47,514.5	402,494.2	25,491.0	300,760.3	14,447.0
12-28	7,534.9	26,949.7	0.0	0.0	45,199.2	447,693.4	22,044.1	322,804.4	11,452.2
12-29	7,306.9	26,949.7	0.0	0.0	43,078.7	490,772.0	19,099.6	341,904.0	9,095.5
S TOT	77,081.1	244,793.6	0.0	0.0	490,772.0	490,772.0	341,904.0	341,904.0	258,415.2
AFTER	68,319.2	291,955.6	0.0	0.0	365,698.5	856,470.5	99,933.9	441,837.9	32,791.1
TOTAL	145,400.3	536,749.2	0.0	0.0	856,470.5	856,470.5	441,837.9	441,837.9	291,206.3

	OIL	GAS		P. W. %	P. W., \$
	-----	-----		-----	-----
GROSS WELLS	0.1		LIFE, YRS.	19.92	730,332.1
GROSS ULT., MB & MMF	933.4	890.7	DISCOUNT	10.00	632,092.4
GROSS CUM., MB & MMF	582.8	412.3	UNDISCOUNTED PAYOUT, YRS.	0.00	554,474.3
GROSS RES., MB & MMF	350.6	478.4	DISCOUNTED PAYOUT, YRS. #N/A		492,299.4
NET RES., MB & MMF	43.1	58.8	UNDISCOUNTED NET/INVEST	0.00	441,837.9
NET REVENUE, M\$	1,421.1	117.5	DISCOUNTED NET/INVEST	0.00	400,371.4
INITIAL PRICE, \$	33.000	2.000	RATE-OF-RETURN, PCT.	400.00	365,895.6
INITIAL N.I., PCT.	12.281901	12.281901	INITIAL W.I., PCT.	14.036328	336,915.9
					312,305.7
					291,206.3
					272,956.7
					257,042.7
					243,060.8
					230,690.8
					219,676.8

ANNALA 12-33H 17776
 WHITING OIL AND GAS CORPORATION
 SANISH (BAKKEN)
 , ND

DATE : 12/07/20
 TIME : 14:54:20

RESERVES AND ECONOMICS

EFFECTIVE DATE: 12/20

-END- MO-YR	GROSS OIL PRODUCTION	GROSS GAS PRODUCTION	NET OIL PRODUCTION	NET GAS PRODUCTION	NET OIL PRICE	NET GAS PRICE	NET OIL SALES	NET GAS SALES	TOTAL NET SALES
-----	---BBLs---	----MCF---	---BBLs---	----MCF---	---\$/BBL---	---\$/MCF---	-----\$-----	-----\$-----	-----\$-----
12-20	2,064.9	2,396.7	253.6	294.4	33.00	2.00	8,369.1	588.7	8,957.8
12-21	24,086.8	28,341.2	2,958.3	3,480.8	33.00	2.00	97,624.6	6,961.7	104,586.3
12-22	22,923.2	27,625.5	2,815.4	3,392.9	33.00	2.00	92,908.3	6,785.9	99,694.2
12-23	21,900.5	26,982.3	2,689.8	3,313.9	33.00	2.00	88,763.3	6,627.9	95,391.2
12-24	20,990.9	26,398.4	2,578.1	3,242.2	33.00	2.00	85,076.8	6,484.4	91,561.3
12-25	20,178.5	25,866.6	2,478.3	3,176.9	33.00	2.00	81,783.9	6,353.8	88,137.7
12-26	19,446.4	25,378.7	2,388.4	3,117.0	33.00	2.00	78,816.8	6,234.0	85,050.8
12-27	18,782.2	24,928.6	2,306.8	3,061.7	33.00	2.00	76,124.8	6,123.4	82,248.2
12-28	18,174.9	24,510.3	2,232.2	3,010.3	33.00	2.00	73,663.2	6,020.7	79,683.8
12-29	17,619.0	24,121.6	2,163.9	2,962.6	33.00	2.00	71,410.2	5,925.2	77,335.3
S TOT	186,167.3	236,549.7	22,864.9	29,052.8	33.00	2.00	754,541.1	58,105.6	812,646.7
AFTER	164,458.6	241,892.6	20,198.6	29,709.0	33.00	2.00	666,555.3	59,418.0	725,973.3
TOTAL	350,625.9	478,442.3	43,063.5	58,761.8	33.00	2.00	1,421,096.4	117,523.6	1,538,620.0

-END- MO-YR	NET ADVAL & PROD. TAXES	DIRECT OPER EXPENSE	EQUITY INVESTMENT	SALVAGE	FUTURE NET CASHFLOW	CUMULATIVE CASHFLOW	10% FUTURE DISC CF	10% CUM DISC CF	20% FUTURE DISC CF
-----	-----\$-----	-----\$-----	-----\$-----	-----\$-----	-----\$-----	-----\$-----	-----\$-----	-----\$-----	-----\$-----
12-20	853.4	2,245.8	0.0	0.0	5,858.6	5,858.6	5,858.6	5,858.6	5,858.6
12-21	9,957.4	26,949.7	0.0	0.0	67,679.2	73,537.8	64,333.3	70,192.0	61,463.7
12-22	9,480.8	26,949.7	0.0	0.0	63,263.6	136,801.4	54,667.2	124,859.2	47,874.8
12-23	9,061.9	26,949.7	0.0	0.0	59,379.5	196,180.9	46,644.9	171,504.1	37,444.2
12-24	8,689.2	26,949.7	0.0	0.0	55,922.3	252,103.2	39,934.6	211,438.6	29,385.3
12-25	8,356.3	26,949.7	0.0	0.0	52,831.7	304,934.9	34,297.0	245,735.6	23,133.4
12-26	8,056.2	26,949.7	0.0	0.0	50,044.8	354,979.7	29,533.8	275,269.4	18,260.3
12-27	7,783.9	26,949.7	0.0	0.0	47,514.5	402,494.2	25,491.0	300,760.3	14,447.0
12-28	7,534.9	26,949.7	0.0	0.0	45,199.2	447,693.4	22,044.1	322,804.4	11,452.2
12-29	7,306.9	26,949.7	0.0	0.0	43,078.7	490,772.0	19,099.6	341,904.0	9,095.5
S TOT	77,081.1	244,793.6	0.0	0.0	490,772.0	490,772.0	341,904.0	341,904.0	258,415.2
AFTER	68,319.2	291,955.6	0.0	0.0	365,698.5	856,470.5	99,933.9	441,837.9	32,791.1
TOTAL	145,400.3	536,749.2	0.0	0.0	856,470.5	856,470.5	441,837.9	441,837.9	291,206.3

	OIL	GAS
	-----	-----
GROSS WELLS	0.1	
GROSS ULT., MB & MMF	933.4	890.7
GROSS CUM., MB & MMF	582.8	412.3
GROSS RES., MB & MMF	350.6	478.4
NET RES., MB & MMF	43.1	58.8
NET REVENUE, M\$	1,421.1	117.5
INITIAL PRICE, \$	33.000	2.000
INITIAL N.I., PCT.	12.281901	12.281901

		P. W. %	P. W., \$
		-----	-----
LIFE, YRS.	19.92	2.00	730,332.1
DISCOUNT	10.00	4.00	632,092.4
UNDISCOUNTED PAYOUT, YRS.	0.00	6.00	554,474.3
DISCOUNTED PAYOUT, YRS.	#N/A	8.00	492,299.4
UNDISCOUNTED NET/INVEST	0.00	10.00	441,837.9
DISCOUNTED NET/INVEST	0.00	12.00	400,371.4
RATE-OF-RETURN, PCT.	400.00	14.00	365,895.6
INITIAL W.I., PCT.	14.036328	16.00	336,915.9
		18.00	312,305.7
		20.00	291,206.3
		22.00	272,956.7
		24.00	257,042.7
		26.00	243,060.8

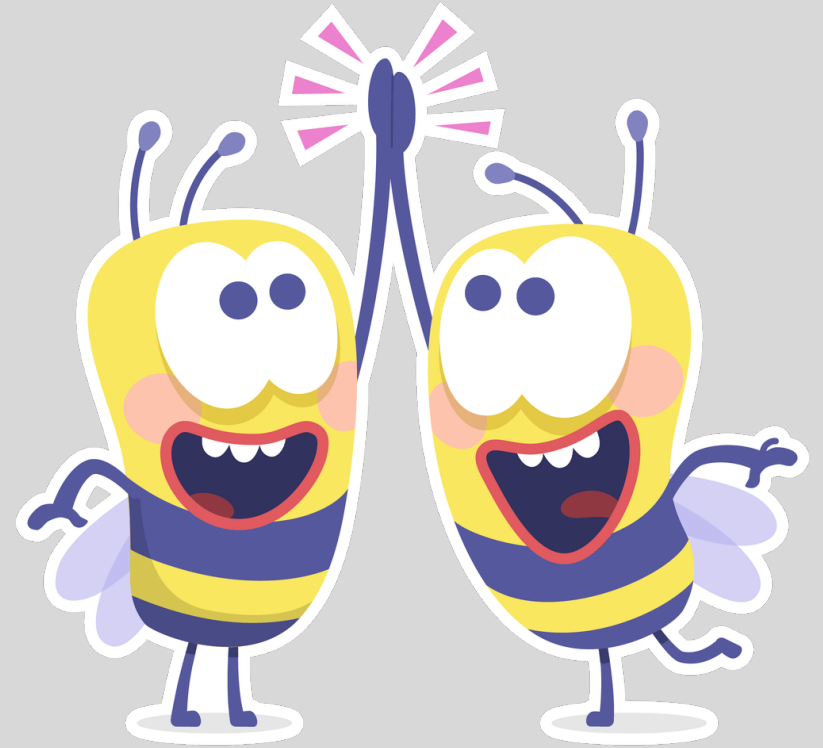
My Ask:

- Don't split mineral ownership up into <5 net acre parcels.
 - Have one sibling purchase from other siblings
 - Sell and split money
 - Contribute to an entity/trust.
- Why?
 - Splitting equally, to be 'fair' can diminish the value of the minerals. Consider the future costs of appraisals, recorded documents, probating an estate, diminished negotiating ability to sell/lease, etc.



My Ask:

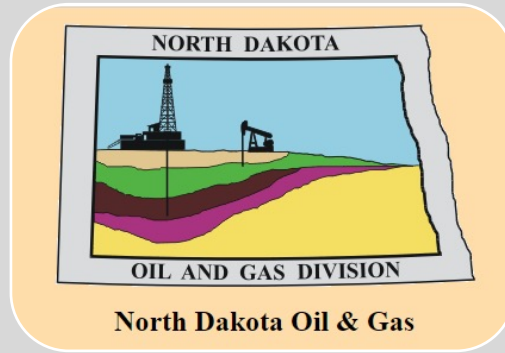
- Encourage your clients to **ACTIVELY MANAGE** their minerals.
 - They should have a full listing of exactly what they own.
- Reach out to someone if you need help researching or managing mineral assets.
 - Landman's Association of North Dakota [\(LAND\)](#) has plenty of members skilled in this sort of research.
 - Come to our quarterly meetings, engage with us!





RESOURCES

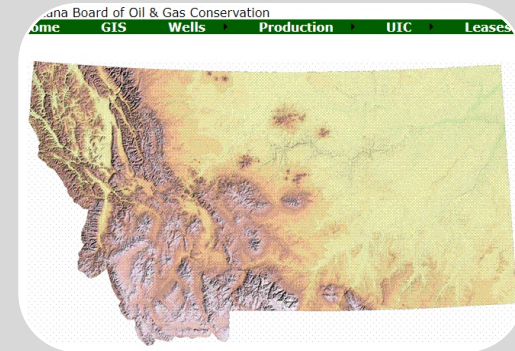
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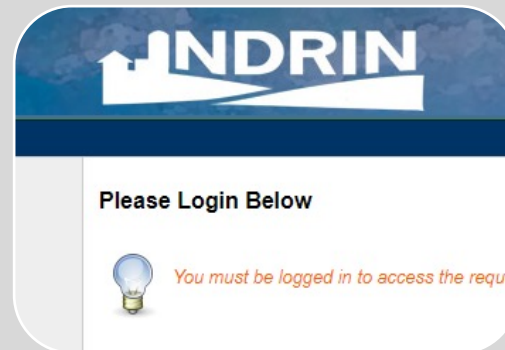
North Dakota Oil & Gas
NDIC
Oil & Gas Division



BLM Records



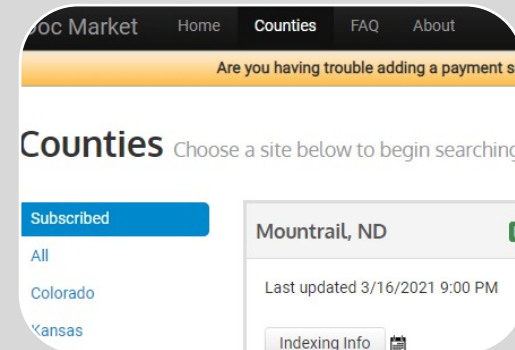
Montana Board of
Oil & Gas Conservation



NDRIN
(All Counties Except Mountrail,
Williams and McKenzie)



MCVV
McKenzie County Records



iDoc
Williams and Mountrail Counties



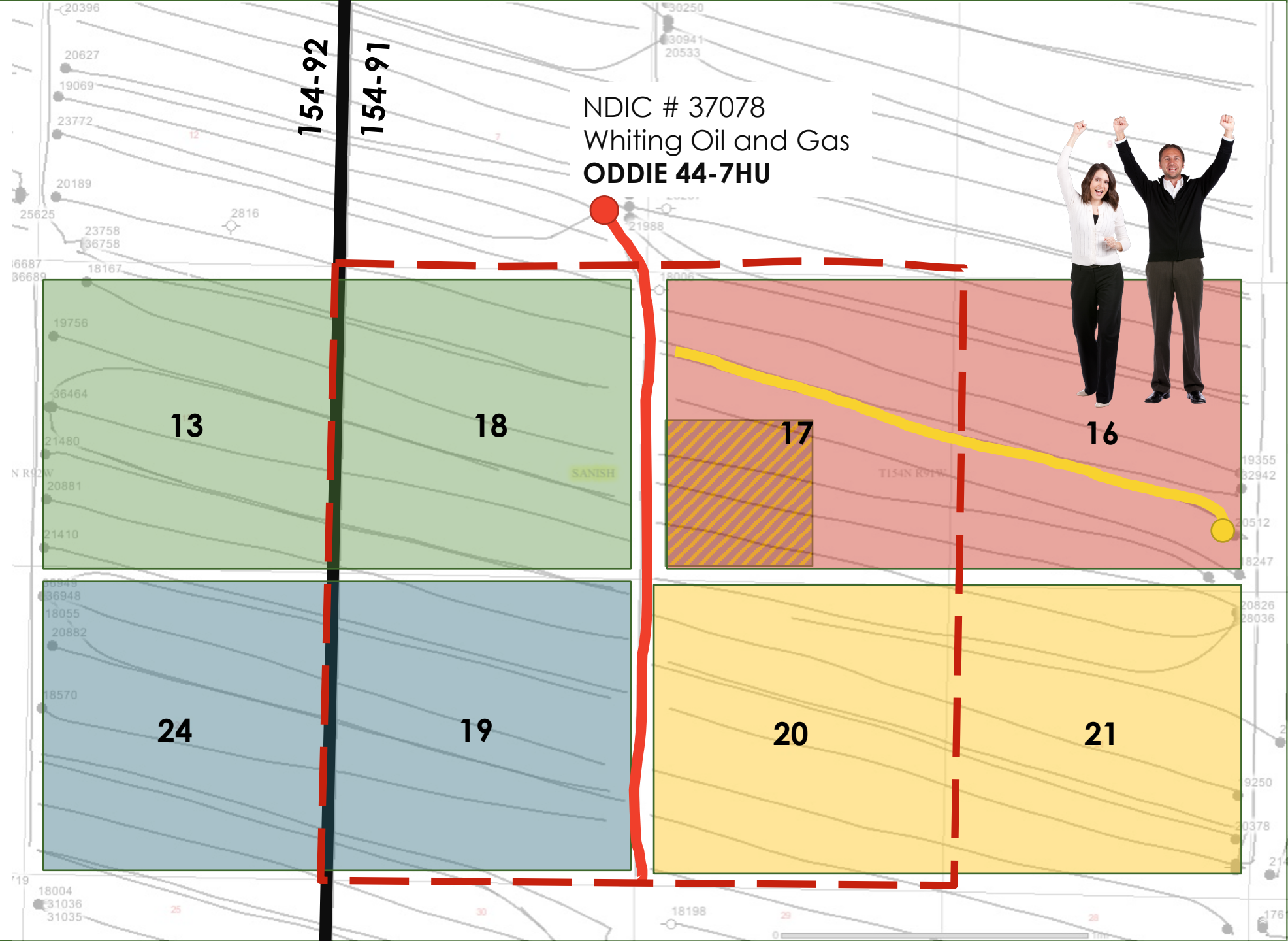
Questions?

Kate Black

Vice President, Inland Oil & Gas

kate@inlandoil.net

701-255-1416



NDIC # 37078
Whiting Oil and Gas
ODDIE 44-7HU



Gross Acres in Spacing Unit

Section 17 = 640
Section 18 = 630.40
Section 19 = 630.72
+ Section 20 = 640

2541.12

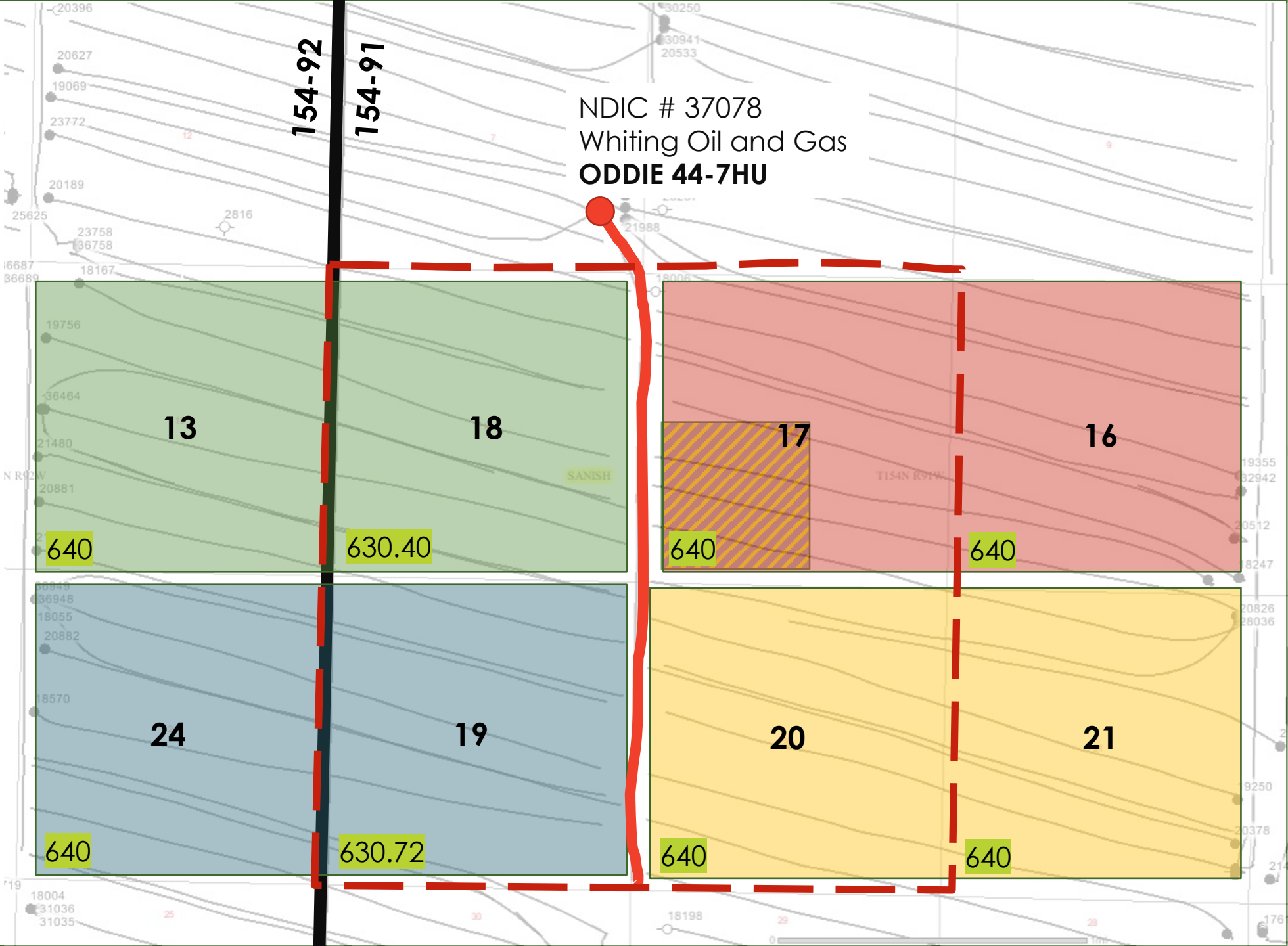
WEIGHTED %

16&17 = 640/2541.12
17 = 0.251857

13&18 = 630.40/2541.12
18 = 0.248079

24&19 = 630.72/2541.12
19 = 0.248205

21&20 = 640/2541.12
20 = 0.251857



WEIGHTED %

17 = 0.251857

18 = 0.248079

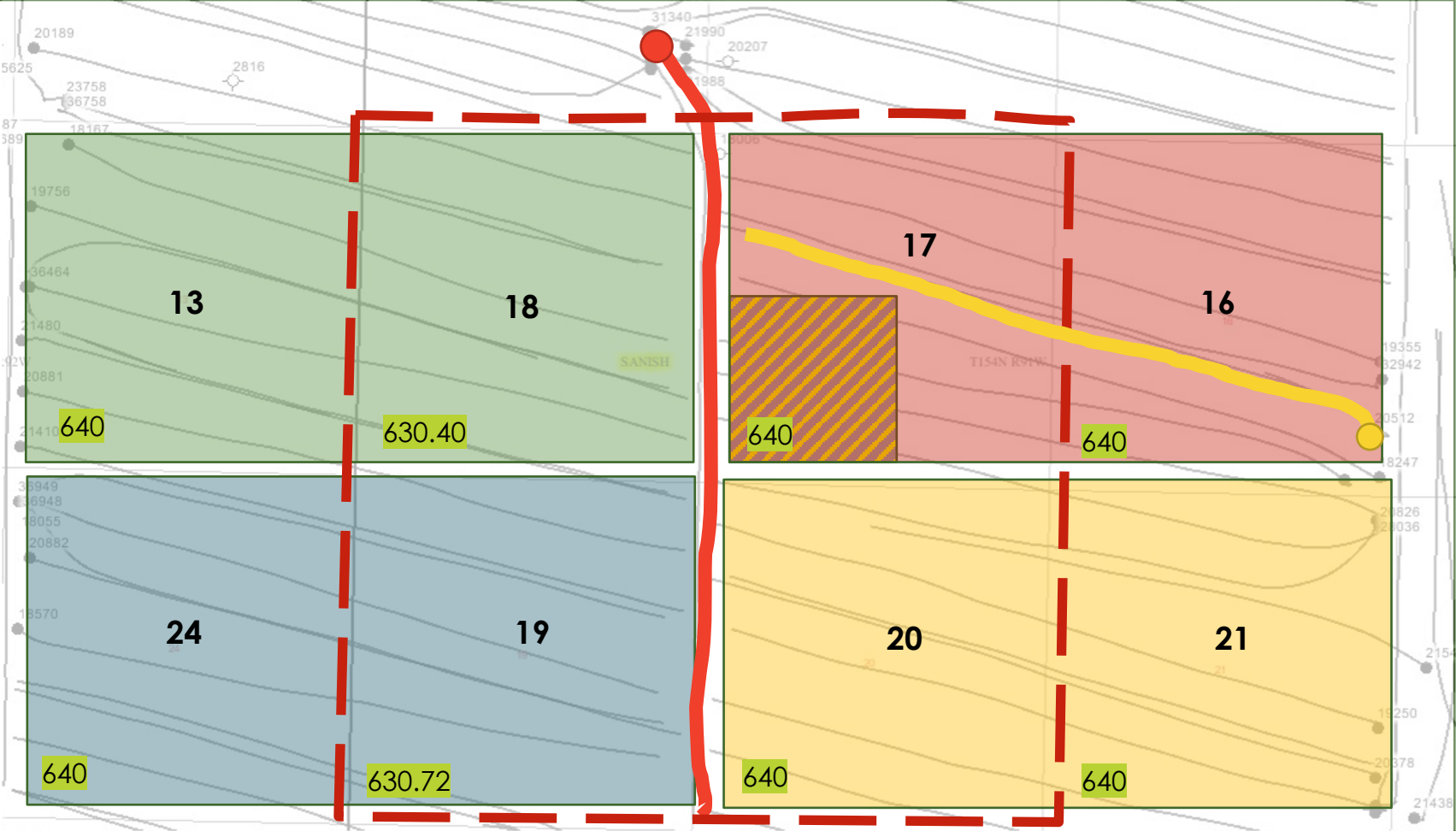
19 = 0.248205

20 = 0.251857

Spacing Unit 16/17

Dan
WI = 0.0078125
NRI = 0.00625

Maria
NRI = 0.0015625



	<u>Spacing Unit 16/17</u>		<u>13/18</u>		<u>19/24</u>		<u>20/21</u>		
	0.251857		0.248079		0.248205		0.251857		
	X		X		X		X		
Maria's NRI =	0.0015625		0.0000		0.0000		0.0000		
	0.0003935		+	0.0000	+	0.0000	+	0.0000	= 0.0003935 = Maria's NRI in ODDIE 44-7HU

Spacing Unit 16/17

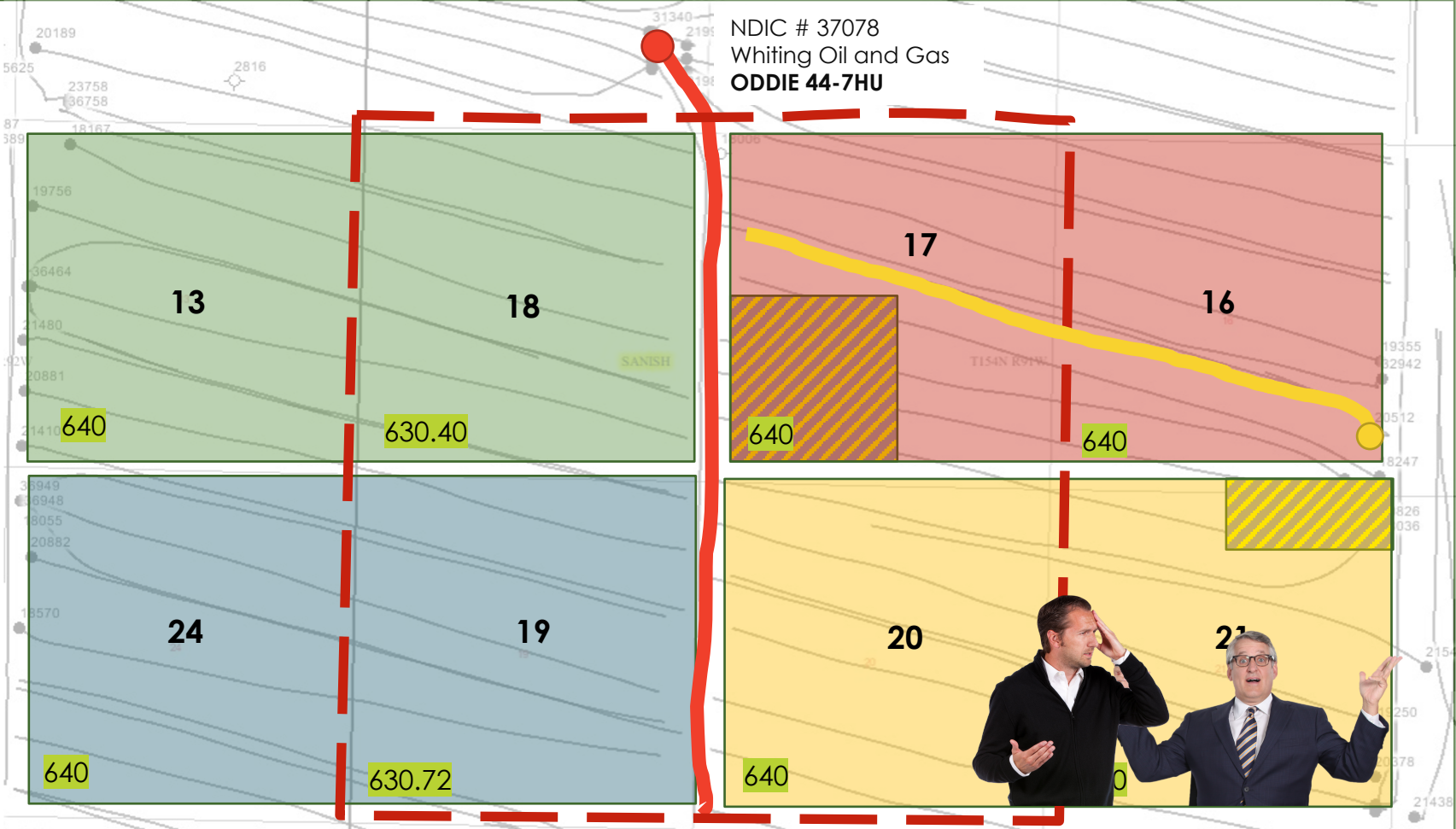
Dan
WI = 0.0078125
NRI = 0.00625

Maria
NRI = 0.0015625

Spacing Unit 20/21

Dan
WI = 0.015625
NRI = 0.012695

Mike (20 net acres, 3/16th Royalty)
NRI = 0.002929



	Spacing Unit 16/17	13/18	19/24	20/21	
	0.251857	0.248079	0.248205	0.251857	
	X	X	X	X	
Dan's WI =	0.0078125	0.0000	0.0000	0.015625	
	0.0019676	+	0.0000	+	0.0039352 = 0.0059028 = Dan's WI in ODDIE 44-7HU