LANDPRO Mining Production Royalty Module

Mining companies’ management of land assets has never been easier thanks to LandPro’s Mining Revenue Distribution Module. Setup any royalty formulas and/or recoups for your leases first… then enter your monthly or quarterly production on an ongoing basis.

LandPro will calculate your Coal Mining payments while taking under consideration any advance royalties, rentals, or other payments that need to be recouped. It generates easy-to-read reports which clearly convey how royalty payments are calculated, including any production costs or tax deductions.

Finally, print checks in LandPro or simply export the payment data to be used by any 3rd party accounting program with Excel import capabilities.

BASIC INITIAL SETUP
1. Setup Tracts and corresponding Mineral and Surface Ownership
2. Setup Leases and their royalty formula(s), then x-ref to tracts.
3. Specify the advance royalty balance to be recouped for each lease.

BASIC MONTHLY PROCESSING
1. Enter Monthly Mining Production Data (Tract Id, Seam, Tons Sold, GSP, etc)
2. Run the Mining Split Tool. See the calculations by payee, by tract, by lease.
3. Print your Mining Check Receipts, Mining Checks, Check Register.

The Mining Module is an optional VLP add-on Module specific for mining companies, designed to provide a quick and easy interface to the process of revenue distribution for coal, lignite, mineral sands, and other minerals. The program is currently being used to generate royalty checks for over a dozen mining companies.
The Royalty Formulas are accessed individually on a lease-by-lease basis: open a lease, click the "Other cross-references" button, then "Mining" (see the "Setting Up Lease Mining Payment Obligations" further down in this manual).

Basic work-flow / General Steps include:
- Set up Tracts and Tract Mineral Ownership records.
- Set up Leases + Royalty Formulas. Specify if monthly or quarterly payments.
- Set up the initial Recoupable balance for each lease, if any.
- Enter the Tract Production data on a monthly or quarterly basis
- Run the Split Tool to calculate your royalty payments due.
- Generate Production Receipts, Checks, Check Register, and/or Excel worksheet for your accounting department.

Obviously, each of the above phases is accompanied by its appropriate custom report(s).

The Monthly Production data-entry, Production History, Applied Payables, and Recoupable records can be accessed via the File / Open / Optional Window.
Setting Up Lease Mining Royalty Formulas

All leases involved in the mining production process will need to be setup with certain royalty formulas. These formulas will tell VLP how to calculate the production royalty payments. You can setup an unlimited number of royalty formulas: VLP will then compare each one and allocate payment according to the highest amount.

To setup your royalty formulas, open a lease, select Other X-Refs, then Mining, then Add.

When setting up a royalty formula, you will notice there is no reference to any ROYALTY OWNER – just the “formula”s. VLP will take under consideration the Mineral Owners associated with your lease when performing the Royalty calculation, provided you specified “MINERAL INTEREST” as part of your formula.

If you specify ORRI as your calculation type, you need to also specify the ORRI OWNER ID, in addition to the formula. Since there is no “ORRI RATE” selection, OK to use “ROYALTY RATE” in your formula.

Also, in the Mining Royalty Payment Obligations table you can setup any Severance Tax payment obligations as well. There should be only ONE Severance Tax record per lease (if you enter more than one, VLP will use the first one it finds during payment distribution calculations).

To access the Lease Mining Royalty Payment Obligation window, you need to first edit the lease. Once in the Lease Entry window, select “Other Cross-references”, then select “Mining”.

![Image of Lease Entry window with highlighted Other X-Refs and Mining options]
In order to have VLP include any advance payment deductions from the mining revenue checks, you need to enter the appropriate Royalty Recoup Rate. For example, 0.50 (for 50%), or 1.00 (for 100%). What this means is that 50% or 100% of the monthly amount due will be deducted from the monthly or quarterly check as the check is generated.

Regular payments (non-royalty) made by Visual LandPro can also be set to update the Recoupables Master table. Therefore, items such as Advance Royalty Payments, when made, will be posted to the Recoupables Master table and then accounted for when you generate future royalty checks.

Recoup amounts are always based on a Lease basis, regardless of to whom the original recoupable amount payment was made. This allows for a lease advance payment to be done to the original lessor, even though the lease may have been assigned to his heirs at a later time.

To add a Mining Payment Obligation record, right-click on the grid, then select “New”. The Lease Mining Royalty Obligations window will be displayed (see image on next page)

NOTE: You can setup royalty obligations **specific to tracts** associated with your lease. Normally, the lease ROYALTY interest is the SAME for all tracts, therefore you **DO NOT NEED** to specify the Tract Id in your Royalty Formula window.

On the other hand, if the lease covers several tracts, and the royalty obligation on ONE of the tracts is DIFFERENT than the lease royalty obligation on the rest of the tracts, all you need to do is set up your royalty obligations first at the LEASE LEVEL (no tract id), then do it AGAIN for the tract(s) which has the different royalty obligation. **MAKE SURE**, however, that you specify ALL OBLIGATIONS for either and/or or the lease and the tracts associated with the lease.

See the next image displaying a **LEASE MINING ROYALTY FORMULA, specific to an ORRI OWNER**. Note, for regular ROYALTY formula, you **DO NOT** specify the OWNER ID number: VLP automatically applies the formula to all LESSORS in your lease.
The above figure displays a 2% ORRI formula. Simply click the Override Calculation Type, then the Royalty Rate, Tons Sold, and GSP (2% ORRI x TONS SOLD x GROSS SALES PRICE)

**Amount**
This is the actual royalty amount as stated on the lease. For example, $1.00 per Ton

**Royalty Rate**
This is the actual Royalty Rate as stated on the lease. For example, 0.06 Royalty Rate

**GSP**
Gross Sales Price. This value changes on a monthly basis and will be entered in the Monthly Production table (PRODMO.DBF)

**GMC**
Gross Mining Cost. This value changes on a monthly basis and will be entered in the Monthly Production table (PRODMO.DBF)

To specify a “Percentage above GMC” MAXIMUM – say, for example, 10% - you can do this by creating a formula that:

a. Multiplies GMC by 1.10: \( GMC \times 1.10 \)

b. Adds GMC to 10% of GMC: \( GMC + (0.10 \times GMC) \)

Then, under “Calculation Type”, select “MAXIMUM” instead of Regular. This tells VLP that this is going to be the MAXIMUM amount of a payment to be paid on this lease.

**Tons Mined (Raw)**
Raw Tons mined from this tract

**Tons Sold**
Total Tons sold from this tract

**Tons Mined (Clean)**
Clean” tons mined from this tract

**Tons Wheeled** – Number of tons “wheeled” or “transported” across this tract (not produced on this tract...)
Mineral Interest  Specifies whether the lessor’s mineral interest is to be included in payment calculation. If the final calculated value needs to be multiplied times the mineral owner’s mineral interest, check this field.

Surface Interest  Same as above, but specific to Surface Ownership.

Subsidence Int.  (note – this can be replaced with any other “description” – see VLP System Admin / Company Maintenance / Properties)

PPI  Producers Price Index – If the final calculated value needs to be multiplied times the Producers Price Index, check this field.

Acres Mined  Multiplies the monthly acreage mined times the other variables

Acres-Feet Mined  Multiplies the monthly Acre Feet Mined times the other variables

Price / Cost Options  This is the Price and/or Cost specified by the Royalty Production company. This price usually fluctuates on a monthly basis.

Calculation Type

Maximum  The monthly payment due CANNOT exceed this “maximum” amount, calculated by this method.

Regular  VLP will consider this payment obligation and will compare it to other payment obligation methods to determine the highest amount due. This is the default “flag” for royalty payment obligations. Most payments will be considered “regular payments”. VLP will then select the HIGHEST of these regular payments

Minimum  Opposite of Maximum. Payment CANNOT fall beneath this number. VLP will make a payment for AT LEAST this amount. This option should be checked if this method is the absolute Minimum Payment due.

Addn’l Payment  This is a payment in addition to the chosen amount due. Check this flag if this payment is to be done in addition to any other payment obligations. Theoretically, you could have an unlimited number of Additional Payment Flags.

ORRI  This is also a payment in addition to the chosen amount due. If you check ORRI, you need to specify the ORRI OWNER ID to whom you want to pay an ORRI on this lease, along with the appropriate payment formula.

“Calculation For”  Various types of calculation types can exist. The most common is the regular “Payment Calculation” flag. The types include: Payment Calculation (default), Severance Tax, Marketing Expenses, Other Taxes

In-House Sales Code

If the payment obligation is specific to a certain in-house company purchasing the minerals, then you would select either In-House Sales Only or the 3rd Party Sales Only flag. Otherwise, leave this as “Does Not Matter” (default)

If you specify a code other than “Does Not Matter”, then this payment obligation will be specific to that production sold to either an In-House company or any non-in-house companies.
**Description**

VLP will display the calculation formula for you. This will change, based on the options you entered above.

**Notes**

If you wish to enter additional remarks / notes specific to a mining payment obligation, click the Notes button and enter data as needed.

**Tract / Subtract**

Specify a Tract id / Subtract Id if the Royalty Obligation is specific only to a TRACT and/or SUBTRACT associated with your lease. This will allow you to specify Royalty Obligations specific to any tract / subtract.

**Formation**

Specify a Formation Id / Seam Id if relevant to the royalty formula

**Mining Method**

Specify a Mining Method, if relevant to the royalty formula

**Shipping From**

Specify the “Ship From” location, if relevant to the royalty formula

Normally, in the “SALES CODE” you would have “DOES NOT MATTER”. However, if you have the situation where you would pay the lessors based on a certain formula for sales made to “IN-HOUSE COMPANIES”, versus different formulas for sales made to “OTHER” parties, you would then specify either the IN-HOUSE SALES ONLY, or 3RD PARTY SALES ONLY option.
So, in the last few pages we discussed the LEASE ROYALTY FORMULA setup process. Below is the Monthly Production edit screen, which we have already discussed a few pages back.

Again, in the Monthly Production edit screen, you or your mining engineer would enter the monthly production, on a per-tract basis. Note the numerous amount of fields available: you will probably not be needing to populate all of these data fields: only populate those that your land manager feels is necessary in order to satisfy the LEASE ROYALTY FORMULA calculations.

At this point, you would enter all the production data for the month you’re wanting to pay. And finally, after running various reports in order to double-check your data entry correctness, you would run the SPLIT MINING MONTHLY PRODUCTION tool.

NOTE that you can run the MONTHLY PRODUCTION SPLIT TOOL on the individual MONTHLY PRODUCTION record by simply selecting the TOOLS icon (see image below), and then selecting the SPLIT MINING MONTHLY PRODUCTION on the Current Record Only. It is OK to do this if you just want to see how this production record will be split... but we recommend NOT TO SAVE IT at this time, just let it generate the split report, then when you exit and it prompts whether you WISH TO POST THE RESULTS TO THE MINING PRODUCTION PAYABLES TABLE, just say NO.
Recoupable Payment History Setup

VLP can automatically keep track of all your advance royalty payments to be “recouped” from future production royalty payments. This is done via the “recoupable” table. In order for VLP to post to the recoupable table, the Recoupable Payment Flag in the lease Payment Obligation entry form must be selected. Advance Royalty Payments, for example, if setup with the “recoupable” flag checked, will be posted automatically to the recoupable table when the Advance Royalty checks are cut.

During the Monthly Production Data split process, VLP will calculate the appropriate recoupable amount to be allocated against payments due, based on the “recoupable percentage field specified for each lease. VLP will also take under consideration any “unpaid” transactions still sitting in the Applied Payment file for proper calculation of the recoupable amounts.

“Recoupables” calculations are specific to Leases, not to Payees. In other words, you may have pre-paid “Joe Smith” a few years ago, but since then he may have conveyed his interests to his 2 children, therefore you now need to recoup Joe Smith’s prepayment from each child accordingly. You may have leases stipulating a recoupable percentage of 100%, 50%, etc. – in which case VLP would apply the appropriate recoupable percentage from each payment due.

You can edit, delete, or add records directly in the recoupable table. You will probably need to add records when you first setup VLP, in order to make sure appropriate beginning recoupable balances are setup.

When a standard “advance royalty” payment is made – provided the “Recoupable Pmnt” flag above is checked – this amount is posted as a POSITIVE amount in the recoupable table. Later on, as you generate production royalty checks, the recoupable table will be updated again: but now with NEGATIVE amounts.

The following is an example of the Recoupable Table grid.
You can add / edit / delete records from the recoupable table at any time. Simply right-click on the grid, and select the appropriate action.
The following figure displays the recoupable record entry form.

NOTE: Bank Fees DO NOT affect the final recoupable amount calculations. Several items are looked at during the split process. One very important item is the "recoupable" advance payment records. The "recoupable payments" table can be accessed via the "Optional" tab of the File / New and/or File/Edit windows. This table gets automatically updated by VLP during the check-printing process.

When you setup an Advance Royalty payment obligation in the Payment Obligation entry form, make sure you click on the "Recoupable" flag. This tells VLP that this payment is a "Recoupable" payment. When the payment is made, a record will be automatically added in the recoupable table, so that it can be recouped from future production royalty payments.
Enter Monthly Production Data
Start out by entering monthly tonnage production data specific to each tract.

FILE / OPEN / OPTIONAL. Select Mining Monthly Production Master.

Start out by specifying a unique Vouched Id number for each monthly production record for each tract.

The voucher id, along with the production date and the tract id are required fields.

At a minimum, you will probably want to specify TONS SOLD, GROSS SALES PRICE (GSP), and perhaps GROSS MINING COST (GMC), ACRES MINED, and/or ACRES FEET MINED.

See next few pages for field definitions.

When done entering your monthly production data, CHECK YOUR WORK! Print a report showing the monthly production records and make sure you entered each production line item correctly. The next step will be SPLIT MONTHLY PRODUCTION – this takes each line item, splits it to the various royalty owners, and then removes it from the monthly production data master file.

NOTE: If you’re splitting a LOT of monthly production line items, you should consider BACKING UP your VLP data first.
See FILE / OPEN / OPTIONAL for the various Mining data files.

The Monthly Production Entry Form is displayed (see figure below).
**Voucher Number**  
This is a unique id number for each line item. Unless you already have a pre-determined numbering system for your entries, we suggest you use something similar to a Year/Month/Id numbering system. For example, if this is the 1st transaction for April 1999, you would enter something like 199904-001.

**Year/Month**  
Enter the Production Year and Month. Use a format similar to 199901 for January 1999.

**Sold to**  
Enter the Id number of the party that is purchasing the coal. For example, “CSWS” (Central & SW Services)

**Tract Id**  
Enter the Tract Id being mined

**Subtract Id**  
Enter the Subtract Id being mined

**Mine Id**  
View-Only (This is displayed once you specify the Subtract above)

**Formation**  
The formation (AKA “Seam”, “Tier Number”) is an optional field, for information purposes only. You could have the situation where, in one tract, there is production from different formations / depths.

**Mining Method**  
*User-Defined.* Usually you would have three records in here, such as Deep Mining / High-Wall / Surface Mining

**Shipping From**  
User-Defined. Specify a “Location” where the coal is being shipped from. This could then come into play in the Lease Royalty Calculation Formula, where you could pay different rates based on different Shipping From locations.

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### Tonnage Data

**Tons Mined (raw)**  
Enter the total number of Raw Tons Mined.

**Tons Mined (Clean)**  
Enter the total number of “Clean” Tons Mined (after rejects, if any)

**Tons Sold**  
Enter the total number of Tons Sold.

**Tons Wheeled**  
Enter the total number of Tons that were transported across this tract

**Gains / Losses**  
Enter the number of ton gains / losses, if any. This is used only for inventory tracking purposes. No revenues will be paid off of Gain / Loss records. To indicate a “loss”, simply put a MINUS sign in front of the value entered.
### $ PER TON

<table>
<thead>
<tr>
<th>Gross Sales Price</th>
<th>Enter the Gross Sales Price (GSP) here.</th>
</tr>
</thead>
<tbody>
<tr>
<td>P.P.I.</td>
<td>Producers Price Index. If your production royalty obligations take into account the producers’ price index, you must make sure that you enter a value of some sort in this field (or, at least, 1.000000), otherwise the payment obligation, if set to be multiplied by the PPI, will result in a zero amount due...</td>
</tr>
<tr>
<td>Gross Mining Cost</td>
<td>Enter the Gross Mining Cost per Ton (GMC) here.</td>
</tr>
</tbody>
</table>

### TAXES PER TON

<table>
<thead>
<tr>
<th>Sev.Tax</th>
<th>Enter the Severance Tax Amount per Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Tax</td>
<td>If any other tax per ton exists, enter it here.</td>
</tr>
<tr>
<td>Mtkg Exp.</td>
<td>If any marketing costs per ton exist, enter it here.</td>
</tr>
</tbody>
</table>

### ACREAGE

<table>
<thead>
<tr>
<th>Acres Mined</th>
<th>Enter the Acres Mined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acr-Ft Mined</td>
<td>Enter the Acre-Feet Mined</td>
</tr>
</tbody>
</table>

### OTHER

<table>
<thead>
<tr>
<th>Product</th>
<th>Defaults to “Coal &amp; Lignite”. You may select other product types.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit of Measure</td>
<td>Defaults to “Tons”</td>
</tr>
</tbody>
</table>

When done entering all the monthly production /sales data, you should print a report listing all records. You may do so by right-clicking on the list window, and selecting Print / Preview, then either a SNAPSHOT report or other reports that are available.

Preview your reports. If all looks OK, you are ready to continue on to the next step, the “SPLIT” process.
Split the Monthly Production Data

Once data has been entered in the monthly production table, you will need to “split” the production to the various tract mineral owners.

The split process will occur only if the following items are all true:

1. All tracts included in the Monthly Production table have “current” mineral interests totaling 100%
2. All mineral interest owners have a lease associated with their mineral interest (including “unleased” owners).
3. Regarding Unleased Owners, you must create a “dummy” lease and link it to its appropriate mineral owner, otherwise our calculations cannot proceed. This unleased owner should also be setup with a SUSPENSE CODE, so that the applied payment will not be included in the check printing process.

If any of these items are not true, then the split process will come to a halt and you will need to fix the problem before proceeding.

To start the Data Split Process, simply right-click on the Monthly Production Data grid, and select the Preview or Print option. Next, select the Mining Production Split Report, as illustrated in the figure above.

You can also access the Split Tool by selecting Tools / Optional / Split Mining Monthly Production.

The Mining Production Split Wizard will be displayed. It will include all records present in the Monthly Production table. At this point, you may select / unselect any record. To select / unselect ALL records, simply right-click on the grid, and select the appropriate command.
Click NEXT, then FINISH button. The Split Process will now begin and the Split Report will be generated. Review the report carefully.

Last, specify whether you wish to post the Split results to the Production Mining Payables table. If you answer Yes, then the processed records will be removed from the Monthly Production Data table and will be posted to the Production Payable table. If you answer NO, then the data will NOT get split and you can edit your records in the Monthly Production table as you wish...

Production data will be split to all mineral ownership owners in the appropriate tracts EXCEPT for owners with a “NO-PAY” flag in their names & address record.
# Monthly Production Split Report - by Tract

**Tract:** TX001-001 - 1030.17 acres of land, more or less, located in Montgomery County, Texas, more fully described on Deed dated March 3, 1988, between

| YearMonth | Quantity Prod. | Quantity Sold | Unit Price | SubTract | Formation | SEAM-A | Purchaser | Amount Due | Deductions | Recoup Rate | Recoup Balance | Max Recoup Amt | Recoup Amount | Net Amount |
|-----------|----------------|---------------|------------|----------|-----------|--------|-----------|------------|-----------|-------------|--------------|---------------|---------------|-------------|-----------|
| PETTI001  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 5760.00   | 4500.00 | n/a       | 5760.00    |            |             |              |               |               |            |
| PETTI002  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 5760.00   | 4500.00 | n/a       | 5760.00    |            |             |              |               |               |            |
| PETTI003  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 5760.00   | 4500.00 | n/a       | 5760.00    |            |             |              |               |               |            |
| PETTI001  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 5760.00   | 4500.00 | n/a       | 5760.00    |            |             |              |               |               |            |
| PETTI002  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 5760.00   | 4500.00 | n/a       | 5760.00    |            |             |              |               |               |            |
| PETTI003  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 5760.00   | 4500.00 | n/a       | 5760.00    |            |             |              |               |               |            |

**YearMonth Totals:** 124800.00

| YearMonth | Quantity Prod. | Quantity Sold | Unit Price | SubTract | Formation | SEAM-B | Purchaser | Amount Due | Deductions | Recoup Rate | Recoup Balance | Max Recoup Amt | Recoup Amount | Net Amount |
|-----------|----------------|---------------|------------|----------|-----------|--------|-----------|------------|-----------|-------------|--------------|---------------|---------------|-------------|-----------|
| PETTI001  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 833.33    | 4500.00 | n/a       | 833.33     |            |             |              |               |               |            |
| PETTI002  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 833.33    | 4500.00 | n/a       | 833.33     |            |             |              |               |               |            |
| PETTI003  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 833.33    | 4500.00 | n/a       | 833.33     |            |             |              |               |               |            |
| PETTI001  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 833.33    | 4500.00 | n/a       | 833.33     |            |             |              |               |               |            |
| PETTI002  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 833.33    | 4500.00 | n/a       | 833.33     |            |             |              |               |               |            |
| PETTI003  | 42339-2008-01  | 0.16666667    | 171.6950   | 0.25000000 | 833.33    | 4500.00 | n/a       | 833.33     |            |             |              |               |               |            |

**YearMonth Totals:** 10516.66

**Tract Totals:** 135316.66
Example of the VLP SPLIT REPORT
When exiting the SPLIT REPORT, you will be prompted whether you wish to POST the split data to the Payables table.

Click YES if the split looks OK to you and you’re ready to move the data to the PAYABLES table (aka "APPLY PAYMENT TABLE"), so that it can be paid.

NOTE that once the split has occurred and you’ve saved ("posted" to mining production payables) your work, the monthly production data gets REMOVED from the monthly production data table, and gets MOVED / SPLIT into the Mining Production Payables table.

In the event that you wish to RE-DO the split, you need to MANUALLY DELETE the data now residing in the Mining Production Payables table, and then RE-ENTER the data in the Mining Monthly Production table.

VLP has a tool designed to AUTOMATICALLY RE-CREATE your Monthly Production table records. Click Tools / Optional / Transfer to Monthly Production – then set your filters as needed. NOTE that by running this tool, VLP does NOT delete any data that was split and currently resides in the PRODUCTION PAYABLES table – it just RECREATES the data in the MONTHLY PRODUCTION TABLE so that you can SPLIT it again as needed.

If you do split a monthly production record again, YOU must make sure that you don’t end up with duplicate data in the PRODUCTION PAYABLES table – it is up to you to MANUALLY DELETE any previous split records (VLP will NOT automatically delete existing split records associated with your current monthly production record)

When done with the SPLIT process, we suggest that you CHECK YOUR WORK by printing and reviewing one ore more SPLIT REPORTS. See also the “MAINTAINING THE MINING PAYMENT APPLY TABLE” that follows.
Maintaining the Mining Payment Apply Table

To access this table, from the File / Open / Optional, select the Mining Payment Apply Table icon. Once the Monthly Production records are SPLIT, the resulting royalty payment obligation detail line items are posted to this table. They will remain here until the Production Royalty Checks process is done.
You may edit numerous fields in the Apply Payments Table, including Recoup Amounts.
The CALC. FORMULA page contains additional information on how this transaction was split.

NOTE: Records in the MINING PRODUCTION MASTER table can be "re-created’ automatically thanks to LandPro’s "TRANSFER TO MONTHLY PRODUCTION" tool (see TOOLS / OPTIONAL). Here you would set a filter (probably based on a VOUCHER / "REFERENCE" ID NUMBER), then select the line items that you wish to transfer back to the monthly production master file.
Printing Production Royalty Checks

Once the data has been entered in the Monthly Production Table and then SPLIT to the various royalty owners, it will reside in the MINING PAYMENT APPLY table. VLP uses the records in this table to "Feed" the royalty checks.

Preview / Payment / Mining Checks

Start out by specifying a FILTER for what you wish to pay.

The Mining Production Payables Report Wizard will be displayed. If you wish to pay ALL items currently ready to be paid in the Applies Payments table, simply click the Next button. If, on the other hand, you wish to pay only certain items, you may enter the appropriate search criteria in the blank spaces of the figure above.

For example, in the figure above we entered 199801 – 199812, meaning to select all applied payment records where the production date is Jan 98 to Dec 98.

All selected payable items will be displayed. You may now select / unselect individual items.
When done, click the Next button.

At this time, you specify the next available check number, the check date, the number of check copies to print per set, the printing order of the checks, any backup withholding percentage you wish to deduct from owners setup in the Names & Address file with the "FED. TAX WISHHOLD?" checkbox checked.

If you want the program to add a pre-defined CERTIFIELD MAIL NUMBER to each checks, you should populate the "NEXT CERT. MAIL #" field. NOTE that this special feature works only in conjunction with you having "ROLLS" of CERTIFIED GREEN CARDS from the post office. If you’re printing only a few checks, you may be better off leaving this field EMPTY and then manually entering the CERTIFIED MAIL NUMBER after the check is created and saved.

Note that checks can be printed by Owner Id (default), by Property Id, or by Owner Social Security Number.

Check the PRINT EXPENSE DETAIL REPORT OF PRINTED CHECKS checkbox if you want VLP to automatically do this as soon as you’re done SAVING the checks. CAREFUL – Make sure you wait to SAVE the checks until you’re finished printing and you’ve reviewed your checks. Make sure you REMOVE the checks from your laser printer and replace them with regular paper, otherwise the EXPENSE DETAIL REPORT will print directly on your checks.
Check the CREATE EXCEL EXPORT OF PRINTER CHECKS” if you wish this to also occur as soon as you’re done SAVING the checks. It will export the check details to Microsoft Excel – don’t forget to then SAVE the Excel worksheet before exiting Excel.

The GENERATE CERTIFIED MAIL NUMBERS checkbox is needed if you want VLP to automatically generate subsequent certified mail numbers for each check.

After you are done printing, VLP will ask you whether you wish to re-print any of the checks. If yes, you will be allowed to reprint any check you want. When finished, you need to answer “OK” at the “Save checks to disk” prompt.

Once checks have been printed and saved to disk, you may want to print various Check register reports. See Reports / Payments. You may also print various payment-history “snapshot” reports directly from the Payment History table (See File Open / Payments / Check Lists)

NOTE that in the event where the RECOUPABLE AMOUNT is the same as the check amount, VLP will print ZERO-AMOUNT checks.
## Monthly Production Status Report – By Month

### Mining Production Status Report - by Mon

<table>
<thead>
<tr>
<th>Reference</th>
<th>Purchaser</th>
<th>Tract Id</th>
<th>SubTract Id</th>
<th>Mine Name</th>
<th>Formation</th>
<th>Tons Mined</th>
<th>Tons Clean</th>
<th>Tons Wheeled</th>
</tr>
</thead>
<tbody>
<tr>
<td>199909-00</td>
<td>n/a</td>
<td>T001-001</td>
<td>001-A</td>
<td>Petrine Mine No. 1</td>
<td>Coal Seam &quot;A&quot;</td>
<td>35000.0000</td>
<td>32000.0000</td>
<td>3500.0000</td>
</tr>
<tr>
<td>199909-00</td>
<td>n/a</td>
<td>T001-001</td>
<td>001-A</td>
<td>Petrine Mine No. 1</td>
<td>Coal Seam &quot;B&quot;</td>
<td>2500.0000</td>
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<td>2500.0000</td>
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</tbody>
</table>

199909 Totals: 37500.0000 34500.0000 3750.0000

<table>
<thead>
<tr>
<th>Year / Mo.</th>
<th>Reference</th>
<th>Purchaser</th>
<th>Tract Id</th>
<th>SubTract Id</th>
<th>Mine Name</th>
<th>Formation</th>
<th>Tons Mined</th>
<th>Tons Clean</th>
<th>Tons Wheeled</th>
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<tbody>
<tr>
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<td>CONSOL</td>
<td>T001-002</td>
<td>002-B</td>
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<td>3200.0000</td>
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</table>

Report - by Month

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<tr>
<th>Year / Mo.</th>
<th>Reference</th>
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<th>Tract Id</th>
<th>SubTract Id</th>
<th>Mine Name</th>
<th>Formation</th>
<th>Tons Mined</th>
<th>Tons Sold</th>
<th>Tons Gain/Loss</th>
<th>Acres Mined</th>
<th>G5P</th>
<th>PPI</th>
<th>SrV Tax/Ton</th>
<th>Gth Tax/Ton</th>
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</thead>
<tbody>
<tr>
<td>201003-00</td>
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<td>T001-002</td>
<td>002-A</td>
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<td>002-A</td>
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<td>DEVI</td>
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<td>2500.0000</td>
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</table>
## Monthly Production Split Report - by Tract

<table>
<thead>
<tr>
<th>Owner Id</th>
<th>Owner Name</th>
<th>Lease Id</th>
<th>Revenue Calculation Formula</th>
<th>Quantity Sold</th>
<th>Unit Price</th>
<th>SubTract</th>
<th>FormaTract</th>
<th>Purchase</th>
<th>Year/Month</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>PETTIO01</td>
<td>Pettigrew, Cathleen D.</td>
<td>0000000</td>
<td>Royalty Rate * Tons Sold (32000.000) * GSP (18.0000) * Mineral Interest (0.16666667)</td>
<td>360000.000</td>
<td>171.6950</td>
<td>5760.00</td>
<td>4560.00</td>
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<td>199906</td>
<td>5760.00</td>
</tr>
<tr>
<td>PETRIO02</td>
<td>Steven M. Petriani</td>
<td>0000000</td>
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<td>171.6950</td>
<td>5760.00</td>
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</tr>
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<td>PETRIO03</td>
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### Year/Month Totals

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<th>SubTract</th>
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<tbody>
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### Year/Month Totals

<table>
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<th>Year/Month</th>
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<tr>
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**Tract Totals:**

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<th>SubTract</th>
<th>FormaTract</th>
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<td>13516.66</td>
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</table>

**Tract:** TX01-001 - 1030.17 acres of land, more or less, located in Montgomery County, Texas, more fully described on Deed dated March 3, 1988, between

Owner Name: Cathleen D. Pettigrew

Owner Name: Steven M. Petriani

Owner Name: Debra E. Petriani

Owner Name: Darlene E. Petriani

**Oil and Gas Production:**

- **Revenue:** $5760.00
- **Deductions:** $4560.00
- **Recoup Balance:** $1200.00
- **Max Recoup Amnt:** $1200.00
- **Recoup Amount:** $1200.00
- **Net Amount:** $1200.00

**Production Data:**

- **Quantity Produced:** 360000.000
- **Unit Price:** 171.6950
- **SubTract:** 5760.00
- **FormaTract:** 4560.00
- **Purchase:** n/a

**Tract Totals:**

<table>
<thead>
<tr>
<th>Year/Month</th>
<th>Quantity Sold</th>
<th>Unit Price</th>
<th>SubTract</th>
<th>FormaTract</th>
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<th>Net Amount</th>
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<tbody>
<tr>
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**Note:** The report details the production split for each tract, including calculation of revenue, deductions, and net amounts.
### Monthly Production Split Report - by Payee

<table>
<thead>
<tr>
<th>Payee: Petro: PETII001 - Pettigrew, Cathaleen D.</th>
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</thead>
<tbody>
<tr>
<td><strong>Year/Month:</strong> 1999-09</td>
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<tr>
<td>TX001-081 1030.17 acres of land, 42339-000-01</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Payee: PETII002 - Steven M. Petrini</th>
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<tbody>
<tr>
<td><strong>Year/Month:</strong> 1999-09</td>
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<tr>
<td>TX001-081 1030.17 acres of land, 42339-000-01</td>
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<table>
<thead>
<tr>
<th>Payee: PETII001 - Debra E. Petrini</th>
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</thead>
<tbody>
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<td><strong>Year/Month:</strong> 1999-09</td>
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<tr>
<td>TX001-081 1030.17 acres of land, TX03-MON-002-0</td>
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<table>
<thead>
<tr>
<th>Payee: PETII003 - Darlene E. Petrini</th>
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<tr>
<td><strong>Year/Month:</strong> 1999-09</td>
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<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Payee: PETII001 - Pettigrew, Cathaleen D.</th>
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<tbody>
<tr>
<td><strong>Year/Month:</strong> 1999-09</td>
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<tr>
<td>TX001-081 1030.17 acres of land, 42339-000-01</td>
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</tbody>
</table>

- **Dime Data**
### Monthly Production Split Report - by Lease

<table>
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<tr>
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<th>Lease</th>
<th>Description</th>
<th>Year</th>
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</table>

**Lease: T0X01-MON-002-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-004-00 - Tom Cruise**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-006-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-008-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-010-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-012-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-014-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-016-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-018-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-020-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-022-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-024-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-026-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-028-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-030-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-032-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-034-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA

**Lease: T0X01-MON-036-00 - Travis Vandersypen and Debra Pettri**

- **Owner:** Steven M. Pettri and Cathailean D. Pettigrew
- **Ref:** 42339-0000-01
- **Unit Price:** $500.00
- **Quant. Sold:** 10,000
- **Form.:** SE ABA
- **Formation:** 10,000
- **Purch.:** NA
Check # 10020

**Production Royalty Receipts**

---

**Lease Id / FIPS**
TX01-MCN-002-00

**Effective Date**
03/01/2016

**Recording Information**
03/01/2016, Entry 1073241, Book 247, Page 12, Oil and Gas Records, Montgomery County, Texas

**State**
Texas

**County/Parish**
Montgomery

---

**Lease Name**
Travis Vandesypen and Debra Petrin

---

**Lease Legal Description**
Tract 1:
10.00 acres of land, more or less, located in Montgomery County, Texas, more fully described on Deed dated March 3, 1988, between George Strapp, as Grantor, and Bill Hill, as Grantee, recorded in Book 765, Page 345, in the Deed Records of Montgomery County, Texas.

Tract 2:
10.00 Acres out of 100.00 Acres of land, more or less, out of the Sally Hansen Survey, A-60, Montgomery County, Texas, being more fully described in that certain Deed of Partition dated October 1, 1948, between Sandra Dunn, as Grantor, and Michael Crawford, as Grantee, recorded on October 8, 1948 in Book 345, Page 34, in the Deed Records of Montgomery County, Texas.

---

**Payee Name & Address**
Debra E. Petrin
4923 Boone Road
Minneapolis, MN 55414

---

**Tax Id Number**
959-96-7654

**Federal Tax Withheld**
0.00

**Bank Account Number**

**Total Bank Charges**
0.00

---

**Period** (Y/M/D) | **Tract Id** | **Number of Tons** | **Amount Per Ton** | **Royalty Interest** | **Mineral Interest** | **Amount Due** | **Less: Sales Tax** | **Less: Resoup Amt.**
--- | --- | --- | --- | --- | --- | --- | --- | ---
5/99 | TX01-001 | 2000.0000 | 10.0000 | 0.16666666 | 666.67 | 750.00 | | |
12/99 | TX01-001 | 2000.0000 | 10.0000 | 0.16666666 | 666.67 | 966.67 | | |

---

Instructions to depositor: You have been designated as depositor for the above described payment(s). Please credit the proceeds thereof to the parties named and in the amounts indicated. Should any difficulty arise, make the deposit in a special account, and contact us immediately.

---

**Received By:**

**Title:**

**Date Received:**

---

**** Please sign and return to ****

---

**Check #**
10020

**Check Date**
04/08/2015

**Property Id**
TX01-MCN-002-00

**Total Amount**
$1032.00

---

**Repository Bank Information:**

Your company name goes here

Attn: See the VLP System Admin

Company Maintenance / Right-Click / Properties

To change your company name & address info

Your City, Your State, Your ZIP

Phone : Your Phone #

Bank of Minneapolis
PO Box 765
Minneapolis, MN 55480
### Mining Royalty Check Example

<table>
<thead>
<tr>
<th>Lease ID / FIPS</th>
<th>Eff. Date</th>
<th>Recording Information</th>
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<td>Entry 107241 Book 247 Page 12 Oil and Gas Records, Montgomery County, Texas</td>
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<td>Montgomery</td>
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**Lease Name**

Travis Vandervoor and Debra Petrini

**Lease Legal Description**

Tract 1: 100.00 Acres of land, more or less, located in Montgomery County, Texas, more fully described on Deed dated March 3, 1988, between George Shop, as Grantor and Bill Hill, as Grantee, recorded in Book 765, Page 594, in the Deed Records of Montgomery County, Texas.

Tract 2: 150.00 Acres out of 100.00 Acres of land, more or less, out of the Sally Hansen Survey, A-50, Montgomery County, Texas, being more fully described in that certain Deed of Partition dated October 1, 1948, between Sandra Dunn, as Grantor, and Michael Crawford, as Grantee, recorded on October 8, 1948 in Book 345 Page 54 in the Deed Records of Montgomery County, Texas.

**Payee Name & Address**

Debra E. Petrini  
4523 Boones Road  
Minneapolis, MN  55734

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<th>Tract Id</th>
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<th>Amount Per Ton</th>
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<th>Mineral Interest</th>
<th>Amount Due</th>
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Instructions to depository: you have been designated as depository for the above described payment(s). Please credit the proceeds thereof to the parties named and in the amounts indicated. Should any difficulty arise, make the deposit in a special account, and contact us immediately.

**Property Id** TX001-MON-002-00

04/08/2015

§**********103520 00

§**********103520.00

Bank of Minneapolis
PO Box 765
Minneapolis, MN 55765

**END OF MINING MODULE DOCUMENTATION**

Need more information? Call us at (281) 363-4213 or visit [www.Landpro.com](http://www.Landpro.com)