



OIL GATHERING CORPORATION

## **BD Oil Gathering Corp Division of Interest Royalty Payment Agreement**

BD Oil Gathering Corp (BD Oil) is a first purchaser and transporter of crude oil. As an additional service to our customers (the Producer), we offer to pay the royalty owners on their behalf free of charge. These payments are processed monthly following the shipment of the well, and checks are generated once the royalty holder's account meets or exceeds \$10. BD Oil also handles 1099-MISC processing for the oil royalty payments.

If the Producer elects to use this service, the Producer is responsible for supplying BD Oil with and maintaining the accuracy of the divisions of interests (DOI) for their wells. BD Oil is not responsible for any incorrect payments due to an inaccurate DOI from the Producer or for any changes of which BD Oil is not made aware.

Royalty owners who contact BD Oil regarding changes to royalty ownership will be referred to the Producer. The Producer is responsible for approving any changes and forwarding any transfer documents to BD Oil or supplying BD Oil with an updated division of interest in a timely manner so the correct payments can be made. All changes and approval for changes must be in writing on company letterhead or from the Producer's email.

Any transfer documents from royalty owners sent to BD Oil directly will be emailed or mailed to the Producer and written approval from the Producer must be given before changes will be made in BD Oil's systems.

All royalty owners must sign a BD Oil Gathering Crude Oil Division Order and W-9 Request for Taxpayer Identification before payments will be made. If they are unwilling to sign these documents for whatever reason, they will be referred to the Producer. Royalty payments can be made to the Producer for the benefit of the royalty owner.

If BD Oil has paid royalties on a well in the past and the Producer elects to take 100% to disburse their own royalties for future loads hauled, this change is final. BD Oil will not resume royalty payments on the well unless the well is sold to a different operator.

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Division Order Analyst