

E-BOOK:

AN INSIDER'S GUIDE TO MAXIMIZING MINERAL WORTH



MASSIVE MINERALS

UNLOCKING MASSIVE MINERAL POTENTIAL

TOP 12 QUESTIONS MINERAL OWNERS SHOULD ASK

Your partner in creating massive, outsized mineral value.

At Massive Minerals, we not only strive to create massive value in everything we do, we seek to create massive, outsized value in ways that make us indispensable to our clients, partners and team members.

ABOUT

Mineral ownership is a unique privilege and opportunity. For many entities and families, mineral assets form a cornerstone of their wealth generation. Yet too often, due to the complexity of a rapidly changing oil and gas industry, these assets are at best under-managed. This under-monetization can result in significant financial opportunity left on the table; stranded value representing foregone philanthropic opportunities, investment diversification, or simply enjoying a sunset in Santorini.

In a time of exponential change in both the global economy and the oil and gas industry, it is imperative that mineral owners have a complete understanding of their mineral asset portfolio and its full value profile both today and tomorrow. Massive Minerals empowers mineral owners to optimize the value of their mineral holdings through a comprehensive, concierge-level approach to mineral management.



MASSIVE MINERALS

CORE VALUES

What we do and how we do it matters.

Take Ownership

We take responsibility for everything that impacts your mineral assets. There is no such thing as outside of our job description.

High Motor

Relentless pursuit of improvement. Regardless of the size or scope of the project, we bring high energy to achieve a positive outcome.

Cover & Move

Teamwork. Ensure that all elements of the broader team (Massive Minerals, stakeholders, vendors, etc.) are aligned and mutually supporting one another to achieve the strategic goal.

People, People, People

We foster positive relationships based on trust and respect with the individual professionals at all stakeholders – clients, industry partners, vendors, etc. By taking the time to understand the dynamics of our clients and key stakeholders, we will know best how we can work together to create superior outcomes.

A Duty to Serve

We approach our work with a sense purpose to honor the trust that our clients place in us. This duty to serve extends to our clients, industry partners, and community.

The Obstacle is the Way

Every situation presents an opportunity. Especially challenges in an exponentially changing energy landscape.



MASSIVE MINERALS

Key Focus for Mineral Owners: Am I prepared to transfer my mineral holdings on to the next generation?

Transferring mineral holdings to the next generation is an opportunity to empower future family generations or advance important philanthropic goals. For the unprepared, however, it also holds the potential for catastrophic wealth destruction.

If you are contemplating transferring mineral holdings, the following basic assessments can increase your preparedness:

- Can you locate your mineral holdings on a map?
- Are you certain as to the exact size and nature of your mineral interests?
- Have you compiled a comprehensive inventory of all records – oil and gas leases, deeds, and agreements – that will be necessary for the next generation to accurately administer these assets?
- Is the next generation educated on the nature of oil and gas assets and prepared to meaningfully monetize these valuable interests?
 - Are they familiar with mineral valuation, production decline rates, future cash flow calculations, and the various non-hydrocarbon income streams associated with oil and gas production?

Massive Minerals Management ensures that clients are intentional about maximizing the value of their assets, as opposed to merely hoping for the best. This entails creating a comprehensive, accessible, and understandable profile of a client's entire mineral portfolio that is complete with all necessary supporting documentation and ownership information. We then work directly with wealth managers and estate planners to ensure that the entire mineral asset is appropriately accounted for in any potential transfer. Finally, we work alongside the intended recipient to ensure that they have the knowledge and support they need to maximize the value of their new mineral portfolio.

TOP 12 QUESTIONS MINERAL OWNERS SHOULD ASK:

- 1. How do I determine the total worth of my mineral holdings?**
- 2. Am I being compensated for all production occurring from my minerals?**
- 3. Are funds owed to me currently being held in suspense by oil and gas operators?**
- 4. Are all operations and payments from production on my minerals in compliance with the negotiated terms of my lease?**
- 5. Are there any unmitigated environmental concerns that I should be aware of?**
- 6. Do I have a complete picture of my mineral asset portfolio?**
- 7. Am I being paid the proper amount for production from my minerals?**
- 8. Do I have a real-time picture of production occurring from my minerals?**
- 9. Is there any offsetting production or operations adjacent to my lands that are impacting the value of my mineral estate?**
- 10. What does the income stream from my mineral holdings look like 6 months, 1 year, 5 years from now?**
- 11. How long will my current wells produce?**
- 12. Should I sell my minerals?**

TOP 12 QUESTIONS MINERAL OWNERS SHOULD ASK:

1. How do I determine the total worth of my mineral holdings?

Massive Minerals Management follows a three-step process to build a complete value profile of a client mineral portfolio (the following is a representative, but non-exhaustive, sample of relevant factors in valuation):

Step 1: Determine Quantity and Location of Each Interest

- What type of interest? E.g., Mineral, Royalty, Overriding Royalty, Working Interest, Production Payment, Executive Rights, etc.
- How large of a geographic area – i.e. how many surface acres – does it cover?

Step 2: Review Lease Terms (if producing)

- What is the lease royalty?
- How much of the original acreage remains subject to the lease?
- What other monetization opportunities does the lease provide?
- How has pooling impacted the division of interest?

Step 3: Prepare Technical Evaluation

1. Reserves Analysis: Key Factors

1. Reserve Type – Oil, Gas, NGL (natural gas liquids), etc.
2. Reserve Classification

1. PDP (Proven Developed Producing)

1. Proven developed producing reserves are those where the wells and facilities required for production are in place. The hydrocarbons are expected to be recovered from wells that are producing at the time of the estimate.

2. PDP affords an estimate of the remaining quantities of oil and gas anticipated to be economically producible, as of a given date, by application of development projects to known accumulations under existing economic and operating conditions.

2. PDNP (Proven Developed Non-Producing)

1. Here, the wells and facilities required for production are in place, but the well or zone is not currently producing. These reserves require little or no capital expenditure to be brought on production.

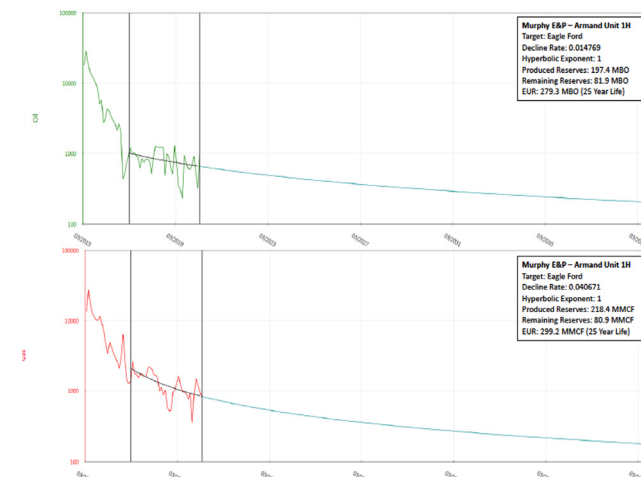
3. PUD (Proven Undeveloped)

1. Proven Undeveloped reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

3. Reservoir Depletion

2. Type Curve Analysis: Utilize existing production data for similarly situated production to develop a model for...

1. Existing production for producing assets
2. Expected outcomes for undeveloped acreage



3. Market Rate Analysis: Utilize public information and informal networks to determine the actual transacted rates for similarly situated assets

1. Utilize market rate on a per-acre basis for sales of similarly situated assets
2. Determine lease bonus rates in an area

4. Sensitivity Analysis: Layer estimates of high, base, and low case outcomes based on the key variables that drive asset value:

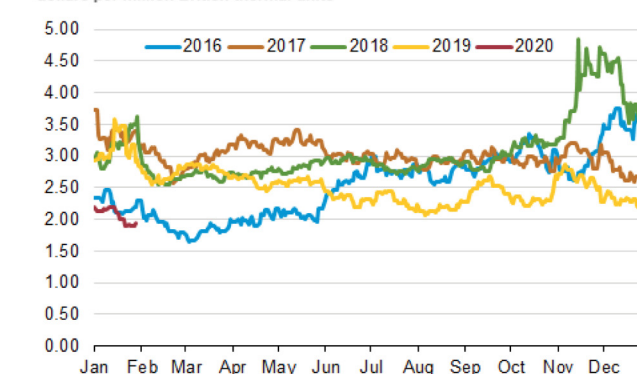
1. Development Pace, Timing, and Drilling & Completion Techniques
2. Well Recoveries
3. Commodity Prices

5. Financial Modeling: Discounted cash flow analysis based on reserves, type-curve, and sensitivities analysis.

6. Key Price Assumptions:

1. Monthly NYMEX (held flat based on LTM average price after 5 years)
2. Oil Differentials: E.g. \$4.00/bbl to \$10.00/bbl (examples)
3. Gas Differentials: E.g. \$0.25/Mcf to \$0.75/Mcf (examples)

Near-month NYMEX natural gas futures prices (2016–2020)
dollars per million British thermal units



2. Am I being compensated for all production occurring from my minerals?

It is not uncommon for a geographically dispersed mineral portfolio to have one or more unknown and unaccounted for producing wells for which the owner is not being paid. In the best-case scenario, these funds have been retained in ‘suspense’ by the operator. More worrisome, these funds may have been paid to an incorrect party. Rarely is this due to any wrongful action on the part of oil and gas producers, rather it is likely a function of incomplete record keeping, title deficiencies, or any number of other administrative mistakes.

These missing payments may constitute tens, if not hundreds, of thousands of dollars that have gone unpaid. What is more, once funds remain unclaimed for a number of years, complications in collecting these unpaid royalties can arise. For instance, under the Texas Property Code, unpaid or unclaimed royalties may be deemed abandoned and after three years escheated to the State of Texas. In other cases, the ability to recover from wrongfully paid parties may be prevented by the various Statutes of Limitations.

Mineral owners should be aware at all times of any production occurring either directly from or immediately adjacent to (and potentially draining) their mineral estate. Particularly in the case of unconventional development, an outsized portion of the overall drainage can occur in the first two years of a well’s productive life. However, manually monitoring production activity from state reported public records can be a technically difficult and overwhelmingly time-consuming process. The complexity of a proper production analysis is compounded when applied to a diverse mineral portfolio with production from numerous operators and/or wells in multiple locations or even states.

Massive Minerals Management utilizes a software-based approach to monitor activity across your entire mineral portfolio in real-time to ensure that clients are ‘in pay status’ for all production occurring from all lands in their mineral portfolio. What is more, we monitor revenue distribution on a monthly basis to ensure that all payments are current and up to date. This constant activity and revenue distribution monitoring also enables Massive Minerals Management to proactively identify potential problems or off-trend production from specific producing wells within a given client’s portfolio.

In addition, we stay apprised of all permitted and upcoming operations on client lands, as well as any neighboring activity that could impact their mineral estate.

3. Are funds owed to me currently being held in suspense by oil and gas operators?

The Texas Natural Resource Code § 91.402 governs the time in which oil and gas operators must pay royalties on oil and gas production. In limited circumstances, operators are allowed to hold funds from production beyond these timelines and place them in a ‘suspense’ (i.e., escrow) account. This primarily occurs when the operator has not received a signed division order authorizing payment, or there is a question as to the mineral owner’s title that has not been resolved after reasonable attempts.

Unfortunately, the occurrence of amounts being held in suspense is not always effectively communicated to the mineral owner, with the result that funds may be held in suspense for years without the mineral owner’s knowledge. This could result in tens, if not hundreds, of thousands of dollars that have gone unpaid. To compound the issue, once funds are held in suspense for a number of years, complications in collecting these unpaid royalties can arise. In Texas, for instance, under the Property Code unpaid or unclaimed royalties may be deemed abandoned and after three years escheated to the State of Texas. In addition, claims for unpaid royalties may be barred by Texas’ four-year statute of limitations that begins running when the royalties are due.

Massive Minerals Management works on behalf of clients to proactively identify any funds held in suspense or escheated to the state. In those cases where funds are identified, we work directly with operators to rectify any title or other issues preventing revenue distribution.



MASSIVE WAS ABLE TO BUILD A RELATIONSHIP WITH ONE OF OUR OPERATORS IN WEST TEXAS AND QUICKLY RECOVER OVER \$100,000.00 IN SUSPENSED ROYALTIES, INCLUDING SOME AMOUNTS THAT WE DIDN’T REALIZE WERE OWED.

– TEXAS ENERGY INTERNATIONAL

4. Are all operations and payments from production on my minerals in compliance with the negotiated terms of my lease?

While the operator's potential obligations to the mineral owner are too numerous to cover here, there are three primary value categories that require active oversight:

Operator's Ability to Hold Acreage: Oil and gas leases often restrict the amount of surface acreage and/or the non-producing formations that operators can hold through existing production. In such cases, the operator is generally required to record a release of the lands and depths that are no longer subject to the lease. As an industry standard, actual compliance with these release requirements is generally low. This results in considerable amounts of unleased acreage/depths that appear to be leased as of public record, potentially preventing additional leasing and bonus opportunities.

Operator's Ability to Pool Acreage/Drill Allocation Wells: Most oil and gas leases place reasonable restrictions on an operator's ability to pool acreage into a producing oil or gas unit or drill allocation wells. Though pooling is invalid where minerals are pooled beyond the authorization contained in a lease, it is often incumbent upon the mineral owner to monitor compliance.

Surface Operations: Often, surface use on hydrocarbon-producing lands can yield significant value in terms of agricultural or recreational use. Oil and gas leases place varying degrees of restriction on an operator's surface use and/or duty to remediate the impacts of surface operations. These include surface acre restrictions for drilling sites, the maintenance of fences and roads, usage of water, and the need to return the surface to its original condition after any development.



Massive Minerals Management ensures that where oil and gas leases limit the acreage or depths that operators are allowed to hold from production or pooling, releases are filed of public record so that the relationship of the parties is clear and any potential cloud on the mineral owner's title is removed. We also review the actual operations to ensure that any surface or subsurface operations are being conducted in compliance with the lease, and that any previous operations and environmental hazards have been appropriately remediated.

5. Are there any unmitigated environmental concerns that I should be aware of?

The Environmental Protection Agency estimates that there are 2.1 million unplugged and abandoned oil and gas wells in the United States. These unplugged and abandoned wells not only cause significant environmental damage and pose public safety hazards, they can materially impact the market value of any tract of land.

Environmental concerns from improperly managed operations are not limited to abandoned wells. Improperly mitigated surface drilling locations, tank batteries, production facilities, and frac tanks/ponds can all pose significant risks to health and safety, as well as materially impact your ability to use, develop, or sell your surface.

Massive Minerals Management works with clients to not only identify these improperly mitigated surface hazards, but more importantly to navigate the contractual relationship with oil and gas operators and administrative procedures with state agencies to eliminate these environmental concerns.



6. Do I have a complete picture of my mineral asset portfolio?

- Can you locate your mineral holdings on a map?
- Are you certain as to the exact size and nature of your mineral interests?
- Have you compiled a comprehensive collection of all records – oil and gas leases, deeds, and agreements – that will be necessary for the next generation to accurately administer these assets?
- How does production this month/quarter compare year over year?
- What is the production forecast for the next quarter, year, etc.?

At Massive Minerals Management, we seek to create massive outsized value for clients not only in the monetization of their mineral assets, but also in empowering them with the knowledge they need to make informed decisions regarding their mineral portfolio. Much more important than providing data, our goal is to ensure that clients are educated and aware of the meaning behind the data.

7. Am I being paid the proper amount for production from my minerals?

While any number of variables can result in mineral owners being underpaid on production, the most common are:

a. The operator has under-credited the mineral owner’s interest in the tract.

Prior to disbursing funds from a well’s production, an operator typically obtains a legal title opinion that sets out each interest owner’s share of royalties from production. Deed interpretation is often a complex task that involves a number of judgments and assumptions by the examining attorney. It is imperative that prior to signing any agreed division orders or accepting royalty payments, mineral owners ensure that they are credited with their correct and full interest in production.

b. The ownership interest credited for payment does not match the agreed interest in the division orders.

Due to the volume and complexity of oil and gas production accounting, at times the fractional interest in production credited on revenue statements can differ from the agreed fractional interest stated on division orders. Prior to accepting any royalty payments, mineral owners must be confident that their revenue statements are based on the correct interest for each well or producing unit.

c. The operator is charging post-production costs in contradiction to lease terms.

While royalty interests are generally considered to be cost-free in terms of production costs, they may be subject to their proportionate share of post-production costs. These include compression, transportation, dehydration, and marketing costs associated with bringing the hydrocarbons to market. Depending on the terms of your lease, however, you may be exempt from bearing these post-production costs.

When an operator unintentionally deducts post-production expenses on a no-cost lease, investors can lose as much as 25% of their revenue, or in extreme cases be responsible for negative royalties.

Massive Minerals Management utilizes a comprehensive software-based approach to link client revenue statements with lease records to ensure that any inappropriate royalty deductions are identified and rectified. This includes monitoring the manner in which deductions are categorized and reconciling the realized versus benchmark pricing for the various commodities involved.

d. The operator is behind on payment and has not paid the statutory interest.

The Texas Natural Resource Code § 91.402 governs the time in which oil and gas operators must pay royalties on oil and gas production. Similarly, North Dakota Century Code Title 47-16-39.1 provides the required timelines for payment of royalties on production to mineral owners. Each oil producing state has its equivalent statute, generally providing that late payments may result in the operator being responsible for statutory interest in addition to the royalties owed.

e. Underreported Production/Sales Volumes

Production accounting is an inherently complex process, further complicated by the fact that oil and gas companies are subject to two separate yet overlapping monthly production reporting periods. The first of these is dictated by the various state regulatory agencies - all producers must comply with rigid government production reporting requirements on a well and/or lease basis.

These governmental reporting requirements often vary widely from state to state. At the same time, operators must account to all interest owners for production sales on a monthly basis in order to determine and issue payments.

Due to this complexity, reported production in these two periods does not always align. As a result, it is not uncommon for mineral owners to be underpaid because the production volume reported on monthly revenue statements is less than the number ultimately reported to the state.

Identifying these volume discrepancies is difficult due to the highly fractured datasets, numerous commodity datapoints for oil, gas, or NGLs, and varying reporting standards from state to state.

Massive Minerals Management utilizes a software-based approach to reconcile multiple production data streams – both public and private – in real-time to ensure that all royalty payments are based on actual state-reported volumes. Where discrepancies arise, we are able to quickly begin recovering any underpaid funds.

f. Right to Recover Unpaid Royalties Can Be Forfeited Over Time

Not only is it common for unintentional mistakes in payment to be made, this problem can be compounded by delay in seeking to recover unpaid royalties. Texas law, for instance, places time limits on the ability of mineral owners to seek re-payment for improperly paid royalties, and in many cases delay in seeking payment will not be excused where the mineral owner could have discovered the underpayment with reasonable diligence.

Massive Mineral Management monitors payments in real time as they are disbursed by the operator to ensure all payments are timely, are calculated according to the correct interest, and made in strict compliance with the terms of the governing oil and gas lease. Where discrepancies are discovered, we take immediate action to prevent the passage of time from limiting our ability to recover the maximum amount possible.

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MASSIVE MINERALS MANAGEMENT HAS BEEN CRITICAL IN TRACKING PRODUCTION AND IDENTIFYING AREAS OF UNDERPAYMENT. THEY HAVE IDENTIFIED OUR INTERESTS IN SEVERAL WELLS THAT WERE NOT IN ACTIVE PAY STATUS AND QUICKLY WORKED WITH THE OPERATOR TO REMEDY THOSE SITUATIONS.

– TITUS RESOURCES

8. Do I have a real-time picture of production occurring from my minerals?

Monthly production volumes provide insight into a number of potential issues and should be closely monitored for many reasons.

The most important of these are to identify any potential lease termination issues. Aside from a total cessation of production, un-mitigated low production volumes over time can cause an oil and gas lease to terminate. The failure to timely raise issues or obtain a release in these situations can result in a mineral owner’s inability to exercise its rights, or in the worst-case scenario the operator adversely possessing the right to produce minerals.

An on-going comparative analysis of monthly production volumes can also spot trends short of lease termination that are important for mineral owners. These include negatively-trending cash-flow projections or early indications of reservoir depletion.

Massive Mineral Management tracks production volumes and performs monthly period-over-period analysis (monthly, quarterly, yearly, etc.) to monitor trends and gain valuable insight into likely future outcomes. This analysis is provided on a monthly basis to ensure that clients are kept updated and informed as to the comparative performance of their mineral portfolio.

9. Is there any offsetting production or operations adjacent to my lands that are impacting the value of my mineral estate?

The presence of a producing well adjacent to a property line could signal that hydrocarbons are being drained from under the neighboring lands. While all states have strong regulatory regimes governing how close a well can be to a neighboring tract to combat drainage, the general rule, known as the Rule of Capture, provides that a drained mineral owner’s remedy is to drill her own well to essentially stop the drainage from occurring.

Depending on the state, certain implied covenants exist that may require an offsetting operator to drill an ‘offset well’ to prevent drainage; these implied covenants, however, are difficult to enforce. For this reason, many oil and gas leases contain Offset Production Clauses that expressly define an operator’s duties in the event that a neighboring well is drilled adjacent to a lease line. These clauses often provide that if a producing well is drilled within a certain distance of their lease, the operator is bound to drill an offsetting well, release acreage, or pay compensatory royalties.

Determining whether an offsetting well has been drilled adjacent to your mineral estate requires vigilant monitoring of drilling and production activities for the lands surrounding your tract. Manually performing this process from the available public records is a time-consuming task. Massive Minerals Management utilizes a software-based approach to conduct a constant analysis of offsetting activities that enables us to monitor clients’ entire portfolio in real time in order to identify any potentially draining activity. Should such potentially draining operations occur, we work with operators to determine the appropriate course of action under the terms of the governing oil and gas lease to ensure that clients are fully compensated.

10. What does the income stream from my mineral holdings look like 6 months, 1 year, 5 years from now?

When building a forecast of future income from production, it is critical that a mineral owner have an informed understanding of how the following variables will impact their income stream from production:

- a. What hydrocarbons are being produced?
- b. What is the expected value of the commodity produced in 6 months, 1 year, 5 years?
- c. How long has the well been producing?
- d. Is it a conventional or unconventional well?
- e. How much is production expected to decline over the next 6 months/1 year/5 years?

While the only constant is change, Massive Minerals Management empowers clients to make informed financial decisions by providing a realistic data and engineering based forecast of production that is responsive to changes in price, production volumes, etc.

11. How long will my current wells produce?

How long you can expect an oil or gas well to produce varies widely depending on a broad range of factors that alter a well’s production profile. Namely, these factors include the type of well (horizontal or vertical), the type of hydrocarbons targeted (oil, gas, NGLs), and the nature of the producing reservoir itself. The expected productive life of the well, in turn, is one of the key drivers of a mineral owner’s expected monetary returns.

Massive Minerals Management utilizes engineering and historical well data to develop a forecast of the productive life of your wells, so that you have a more complete picture of your expected monetary gains. This information is a critical component in your overall financial planning.

12. Should I sell my minerals?

While there has been an informal market for mineral and royalty assets for the past century, the past five years has seen the minerals trade exhibit exponential growth from a small private niche into a significant segment of the overall oil and gas industry. This growth has been driven largely by the entrance of both private-equity backed and publicly traded mineral acquisition companies, as well as oil and gas operator backed teams.

The emergence of the mineral trade has significantly increased the liquidity options for mineral owners, as they now have an additional opportunity to monetize their mineral interests outside of revenue from production. For one, non-producing minerals can be monetized. Additionally, mineral owners have the opportunity to accelerate a portion of their returns by divesting a percentage of their producing mineral interests to pursue a more diversified investment portfolio, or perhaps to fund personal or philanthropic goals.

Anyone familiar with minerals assets, however, has heard the adage, “Never sell minerals.” There is definite truth in this prescriptive warning. Generally, individuals inherit or acquire minerals at a low or no cost basis. These mineral assets have been passed down by the family, with each generation standing more in the status of caretaker for the generations to come than individual owners or investors considering an asset’s worth.

Though the opportunity to sell your minerals exists, the appropriate question is whether you should consider exercising that option at all. Certainly, the expansion of the mineral market over the past half decade has resulted in mineral valuations that in some cases warrant exploration. Whereas mineral offers were traditionally crude estimations based on recent lease bonus rates or a mere multiple of existing production, today’s reputable mineral acquisition offers are generally backed by a more sophisticated reserves-based analysis.

First Question: Who is the Buyer?

While there is an increasing sophistication to the minerals market, the fairly low to non-existent barrier to entry means that mineral owners are confronted with a wide universe of would-be mineral buyers. These would-be buyers vary enormously based on their level of sophistication and ability to execute the transaction.

Thus, the first question when considering selling your minerals is whether this person or entity is an end-user or a mere broker. This is important for two reasons. The first is the proposed buyer’s actual financial ability to consummate the transaction. Often, mineral brokers will commit to a mineral acquisition on a 30-day closing period with no existing means to fund the sale. If they have not already lined up a buyer, their main focus in the ensuing 30-days is to find a buyer to whom they will flip the acquisition contract on the day of sale. In instances where they are unable to find a buyer within the agreed time frame, the sale is likely to never materialize. The broker’s inability to fund the transaction can result in an owner’s lost opportunity with other sellers, as well as frustrating delays that could manifest into legal disputes.

More importantly, divesting mineral assets to a broker is likely to result in a sub-optimal price. Certainly, brokers constitute a valuable function in the overall mineral market, in some cases creating or sustaining markets by ensuring a certain amount of deal flow between owners and end-users. As with utilizing any middle-man in a transaction, however, conducting a mineral transaction through a broker likely results in a lower price to the seller and higher price to the buyer.

Without experience and an understanding of the mineral market, individual sellers approached with an offer are generally unable to discern the differences between these brokers and the end-user.

What is the Valuation?

The most important piece of data in a potential offer is the proposed price – what is the price the putative buyer is offering to pay? It is imperative that this price be compared against a realistic valuation of the mineral asset to be sold based on solid engineering and market principles, in order to ensure that fair market value is being achieved.

Comparative Analysis of the Offer v. Asset Value

It is not enough to simply know the price offered, however. In order to make an informed decision on whether to divest all or a portion of your mineral estate, it is imperative that you have a complete understanding of the underlying value of your asset. On a basic level, this includes an analysis of existing production, the likely future outcomes based on actual or likely decline rates from wells producing your minerals (i.e. type-curves), as well as reasonable assumptions regarding future development and commodity price fluctuations.

When weighing a divestiture, it is important that your economic considerations encompass the full range of future outcomes – for example, what is the potential for, or likelihood of, additional drilling and production from your mineral assets? How does this interplay with expected commodity price? Commonly, this is known as the identifying the low case, base (or development) case, and high-case scenarios for future development activity.

Once the range of potential future outcomes is identified, an economic evaluation will then look at the facts unique to your situation. These considerations include: What does past performance tell us about this particular operator’s likely ability to execute a successful development program? Based on available information about the operator, what are the reasonable expectations as to the development pace and timing for those future operations? How do the various sensitivities as to commodity price and initial production rates impact the valuation?

Once a reserves-based analysis has been conducted, any potential offer should be weighed against the prevailing market rate for minerals in the area. When considering an offer, a mineral owner should compare recent similar transactions in the area, particularly in terms of price. It is here – in pricing similar transactions – that the opaqueness of the mineral market places the highest premium on information. There is no reported sales data, and buyers and sellers both have a vested interest in keeping price information quiet. Here, relationships in the industry and thus access to market rates and pricing information creates real competitive advantage. Massive Minerals utilizes long-established informal networks to quickly and accurately source price information.

The “Why”: Why Sell?

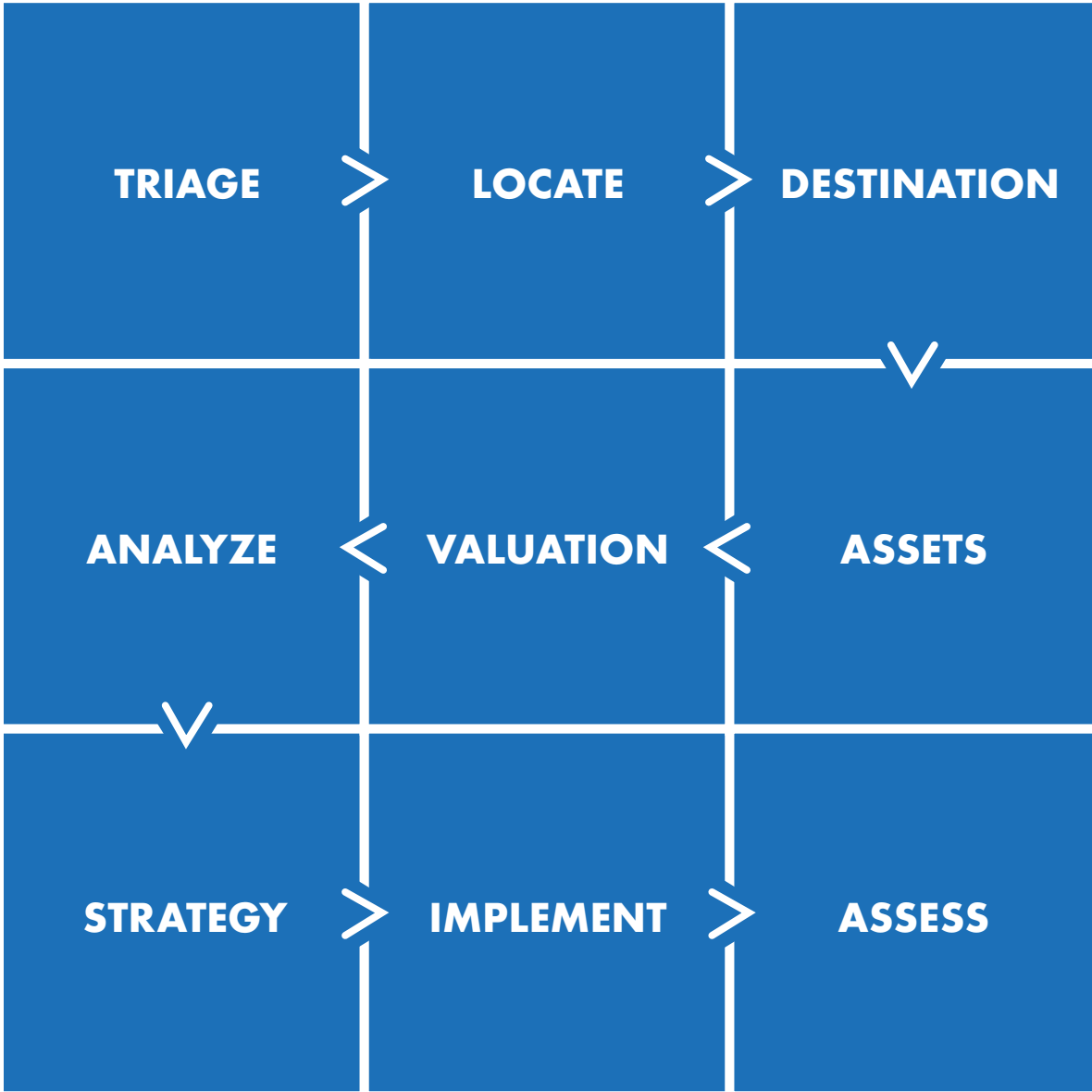
Dependent on the price, selling all or a portion of your mineral assets can be a worthwhile undertaking. Before parting with these valuable assets, however, it is imperative that the mineral owner consider their own personal “why” for doing the deal. Will the funds from the sale be used to diversify an investment portfolio, and perhaps de-lever the owner’s position off of commodities dependence? Will the divestiture enable a time-sensitive investment or philanthropic venture?

There is no right answer, and the choice will be different for everyone. Should you sell? It depends upon the asset’s expected value over time weighed against the offer. It also depends on the opportunities that the funds would make available. Finally, it depends upon the current needs versus those of future generations.

9-STEP PROCESS:

Our 9-Step Process is designed to maximize mineral value and empower owners to make informed, strategic decisions.

The Massive Minerals Path to Asset Maximization:



TRIAGE: Identify and immediately resolve any time-sensitive issues.

LOCATE: Once any pressing issues have been resolved, and before we can begin building an action plan, the first step in moving forward is to determine ‘where we are.’ That is, we need to fully understand the current situation regarding a client’s entire mineral portfolio. For example: Where are the minerals located? Is there current production? How much? Are there any pending situations (recent probates, land sales, etc.) that might impact the mineral portfolio?

DESTINATION: Once we know where we are, we next need to determine “where we want to go.” Here, we work with clients to identify their goals for their mineral portfolio.

ASSETS: With knowledge of where we are and where we want to go, we next determine the means at our disposal to bridge that gap. This entails conducting a comprehensive inventory of the entire mineral portfolio. We categorize the type of assets (e.g. mineral, royalty, overriding royalty, working interest, etc.), the size of the assets (e.g. how many acres do they cover, are they full 8/8 interests or undivided fractions), their location, and identify any potential issues impacting ownership that may require further attention. At this point, we also utilize GIS to locate the mineral assets on a map, so that we can later research and monitor activity. Equally important, we assess any current production that may be occurring from the mineral estate.

VALUATION: We utilize a multi-step technical and market-based analysis to assign a probable value to the client’s mineral portfolio.

ANALYZE: The next step in the process is to gain a full picture of the state of operations impacting a client’s mineral portfolio. Are there operations ongoing? Are these operations in compliance with the all terms of the governing oil and gas lease? What income streams other than oil and gas are possible (e.g. water sales, surface use, etc.). Are there any remediation or other activities that need to take place regarding past surface operations?

STRATEGY: Armed with a complete understanding of the size, type, current status, and long-term value of a client’s mineral portfolio, we then craft an asset monetization strategy based on the client’s goals that is tailored to the unique opportunity set presented by the asset base.

IMPLEMENT: With a solid strategy in place, we need to determine the best tactical approach to achieving our strategic goals. In doing so, it is imperative that we identify all necessary actions and prioritize them in order of importance.

ASSESS: The only constant is change, particularly in the oil and gas industry. As commodity price, activity levels, and any number of important variables are in constant flux, we maintain an established rhythm of assessing our strategy and tactics against market conditions to ensure that our approach continues to serve client goals.

SERVICES

Concierge-level stewardship of your mineral resources.

We tailor our approach based on your unique circumstances and goals. We will walk you through every step of the process, starting from evaluating your mineral assets to ensuring everything is structured to maximize your assets' value. At Massive Minerals, we offer the following services:

REVENUE

- Royalty Payment Verification
- Revenue Processing
- Revenue Distribution
- Division Order Analysis and Processing
- Monthly Revenue Tracking
- Monthly Production Reporting and Analysis
- Suspended Funds Recovery
- Reporting for Investment Committees and Boards
- Non-Profit Support
- Production Volume Verification

RECORDS

- Asset Title Verification
- Lease (GIS) Mapping
- Taxes – Ad Valorem / Property Tax Support
- Tax Record Keeping
- Mineral Portfolio Asset Inventory
- Historical Production Records
- Mineral Title Ownership Records
- Operator Correspondence Logging
- Lease Expiration Tracking
- Asset Performance Records

OPERATIONS

- On-Tract and Adjacent Activity Monitoring
- Oil & Gas Lease Negotiations
- Lease Compliance Audit & Oversight
- Operational Negotiations (Right of Way, Pooling & Unitization Agreements, Seismic Agreements, Joint Operating Agreements, Farm-In/Farm-Out)
- Asset Performance Review
- Surface Management (Surface Operations, Timber, Water)
- Litigation Management & Support
- Operated and Non-Operated Interest Management
- Self-Development Advising
- Mineral Portfolio Asset Valuation
- Acquisition and Divestiture Management

TRUSTEE

- Professional Trustee Services
- Real Property Asset Management (Timber, Minerals, Water)
- Real Estate Management
- Outsourced Mineral Management for Trusts
- Outsourced Royalty Revenue Processing & Distribution

ABOUT OUR FOUNDER:

BENJAMIN HOLLIDAY

Originally from East Texas, Ben and his family now call San Antonio home. After graduating in 2006 from St. Mary's University's dual-degree Master's and Law program, Ben began his career in the oil and gas industry as a landman putting together drilling prospects in deep South Texas and along the Texas Gulf Coast. Soon thereafter, Ben moved in-house with a large private exploration company focused on developing the Barnett Shale, where he managed all land aspects of a multi-rig drilling program for Johnson, Parker, and Hood counties.

For the past decade, Ben has focused his legal practice entirely on representing energy companies and mineral owners throughout all phases of oil and gas exploration and development. Drawing upon the depth of experience and broad network developed in this time, Ben recognizing the pressing need for a professional, concierge-level approach to managing valuable mineral assets on behalf of their owners. Initially managing his own interests and those of friends and family, this market void eventually led to the formation of Massive Minerals Management.



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“IN A TIME OF EXPONENTIAL CHANGE IN BOTH THE GLOBAL ECONOMY AND THE OIL AND GAS INDUSTRY, IT IS IMPERATIVE THAT MINERAL OWNERS HAVE A COMPLETE UNDERSTANDING OF THEIR MINERAL ASSET PORTFOLIO AND ITS FULL VALUE PROFILE BOTH TODAY AND TOMORROW.”

– BENJAMIN HOLLIDAY
PRESIDENT OF MASSIVE MINERALS

Education

- BBA Management, Mays Business School, Texas A&M University, 2003
- MA International Relations, St. Mary’s University, 2006
- Juris Doctor, St. Mary’s University School of Law, 2006

Industry & Community Involvement

- American Association of Professional Landmen – National Board Member (2-year Appointment), Regional Director for South Texas Region
- San Antonio Association of Professional Landmen – Past President
- Texas Legislative Association of Local APL Chapters - SAAPL Representative
- Landman & Lawyer Clays of South Texas (501c3 Non-Profit) – Founder
- Vatsalya – President of Financial Advisory Board
- Entrepreneur’s Organization – Past President (San Antonio Chapter), Current Board Member
- San Antonio Bar Association Foundation Fellow
- Aggie 100 - 2014 Member
- Broadsword Racing - Founding Member, Score Intl. Off-road Racing Team
- Alamo Heights Little League – Coach
- Texas Biomedical Research Institute Founder’s Council – Golden Circle Member
- San Antonio Public Library Foundation – Board Member

Publications/CLE Courses

- “New Oil & Old Laws: Problems in Allocation of Production to Owners of Non-Participating Royalty Interests in the Era of Horizontal Drilling” St. Mary’s Law Journal, Volume 44, Number 4
 - o 2018: Cited by the Texas Supreme Court in Murphy Exploration & Prod. Company – USA v. Adams, 2018 Tex. Lexis 1205*
- “2015 Ohio Case Law Update” AAPL Landman Magazine
- “2016 Texas Case Law Update” AAPL Landman Magazine
- “Coyote Ranch Lake – Application of the Accommodation Doctrine to Water Law”
 - § Houston Association of Professional Landmen’s Texas Land Institute Sept 2017
 - § San Antonio Association of Professional Landmen, Oct 2017
- “Leasing Issues for Texas Relinquishment Act Lands”
 - § Permian Basin Landman Association Spring Education Institute, April 2017
 - § Houston Association of Professional Landman Fall Saturday Land Seminar, Oct 2017
 - § North Houston Association of Professional Landmen, April 2018
 - § Houston Association of Professional Landmen Winter Seminar 2019
- “Issues in Royalty Allocation”
 - § North Houston Association of Professional Landman Education Seminar, March 2017
 - § San Antonio Association of Professional Landmen Mid-Winter Seminar, Jan 2013
- “2017 Texas Case Law Update”
 - § North Houston Association of Professional Landmen Winter Educational Seminar, Feb 2018
- 2018 Texas Case Law Update
 - § National Association of Lease and Title Analysts Annual Meeting, Aug 2019
- “Fixed v. Floating NPRI’s”
 - § Houston Association of Lease and Title Analysts, Feb 2018
 - § National Association of Lease and Title Analysts Annual Meeting, August 2019
 - § In-House Training, Oct 2019

Certifications

- Board Certified in Oil, Gas and Mineral Law by the Texas Board of Legal Specialization
- Texas Bar College, Member – State Bar of Texas (Honorary Legal Society)
- Texas Bar Fellow
- Law Licenses: Texas, Oklahoma, Ohio, North Dakota, Nebraska and Illinois

- “Keys to An Effective Lot & Block / Small Tract Leasing Program”
 - § Permian Basin Oil & Gas Law Conference, Feb 2018
- “Texas’ Mineral Interest Pooling Act”
 - § In-House Training, July 2018
 - § National Association of Lease and Title Analysts Annual Meeting, Aug 2019
- “Oklahoma & Texas Regulatory Approaches to Maximizing Recovery: Oklahoma’s Extended Well Development Act & Texas’ Allocation Wells”
 - § Tulsa Association of Professional Landmen, Spring Education Seminar, April 2018
- “Production in Paying Quantities”
 - § In-House Training, Oct 2019
 - § Denver Association of Professional Landmen Annual Winter Seminar, Nov 2019
 - § San Antonio Association of Professional Landmen, Nov 2019
- Texas Oil & Gas - Application of Force Majeure to Covid-19 and Commodity Price Collapse
 - § San Antonio Association of Professional Landmen – April 2020
 - § LandmanEducation.com webcast – June 2020
- Multiple Assignment of Wells – Amendments to Statewide Rule 40
 - § Houston Association of Professional Landmen Spring Seminar – May 2020
- Retained Acreage Clauses and Proration Units
 - § In-House Training – Oct 2019
 - § American Association of Professional Landmen Texas Land Institute – Dec 2019

CONTACT

For any inquiries, questions or commendations, please call:
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Tel: 210.469.3187

MEMBERS OF:



“MASSIVE MINERALS EMPOWERS MINERAL OWNERS TO OPTIMIZE THE VALUE OF THEIR MINERAL HOLDINGS THROUGH A COMPREHENSIVE, CONCIERGE-LEVEL APPROACH TO MINERAL MANAGEMENT.”

– BENJAMIN HOLLIDAY
PRESIDENT OF MASSIVE MINERALS