



July 26, 2019

ATTN: Royalty Owners

RE: North Dakota Regulation 43.02.06.01 - change regarding check support detail

Dear Royalty Owners:

The purpose of this letter is to inform you of a new separate payment detail mailing you'll be receiving each month. You will continue to receive the same check and payment detail you always have from Liberty; however, you'll now receive an additional supplementary file intended to help you further understand the details of your payment. This mailing is being made in compliance with new NDIC rules applicable to royalty owner information statements as outlined in the NDIC Rulebook, Chapter 43.02.06.

The new additional mailing, titled **"Supplemental Royalty Owner Information Statement – North Dakota Statute: 43-02-06-01 (Effective July 1, 2019)"**, is for informational purposes only. Please refer to the above referenced rule for information on the required disclosures in this statement. Please note that the deductions (taxes excepted) that you see in your traditional payment detail are now bucketed into 4 categories (administrative, compression, processing, and transportation) in your supplemental detail; however, the total deductions are the same in both sets of detail.

Additionally, if you receive an ACH payment from Liberty, your electronic payment detail retrieved from "EnergyLink" or "Oildex" will now also include this supplementary information.

Please note that if you are charged a North Dakota state or a federal withholding tax, the sub-total on your new supplemental mailing may not tie out to your traditional check detail, by that amount, but rest assured your check amount is correct.

We have also posted a copy of the new rule to our website.

Should you have any questions, please do not hesitate to contact us.

Regards,

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