

Hess: Owner Online Portal FAQs

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1. Portal Questions

a. What if I need additional help or information? Is Ask Hess still an option?

You can still contact Hess Owner Relations at ask@hess.com or 1-844-ASK-HESS (1-844-275-4377) if your question is not answered here. You can also submit a ticket in the 'Portal Ticket' section if you need additional help.

b. How do I change my address?

To change the address on your account, select Contact Information in the My Account drop-down menu, click Edit, and make the necessary changes. You will receive an email notification when the change is fully processed; please allow at least three business days for processing.

c. How do I sign up for direct deposit to my bank account?

To have your revenue checks deposited directly to your bank account, select Banking Information in the My Account drop-down menu, click 'Create New,' and follow the prompts. Please, note that you will need a document from your financial institution which shows the name of the account holder, the account type, full routing number, and full account number, such as a voided check or letter from your bank. The name of the account holder must match your owner name. For further information on setting up direct deposit through the portal, please refer to the [Bank Information Quick Reference Card](#).

d. What is Payment Frequency?

In the 'Payment Preferences' section in the My Account drop-down menu, you may change how often you receive payment. Hess does not release payment for accounts not reaching an aggregate amount of \$50.00 in revenue except for mid-year and end-of-year check write periods. Outside of those limitations, you can select 'Normal' which is monthly, 'Quarterly', 'Semi-Annually', and 'Annually' for your payments.

e. How do I go completely paperless?

In the 'Payment Preferences' section in the My Account drop-down menu, you may opt out of physical paper check details being mailed through the U.S. Postal Service. This option is available for owners utilizing Direct Deposit (EFT/ACH/Wire) only.

f. Why can't I see my Documents in the Portal?

The Portal does not house any data or documents. It communicates securely with several systems that Hess utilizes for case management, digital document retention, and interest and revenue data. The 'Documents' section in the My Account drop down menu will show you a log of documents you submit via that section, but copies of those documents will need to be requested and retrieved by Hess Owner Relations.

g. Who reviews the information I submit to the portal?

All information you submit to the portal is reviewed by Hess Owner Relations who will route the information to the appropriate team. The portal does not contain any automated functions.

h. Why can I not change certain account information through the portal?

Certain key information in your owner account cannot be changed through the portal because it is tied to record title. For example, the owner name on your account must match the owner of the minerals contained in the real property records. If you are unable to directly input a desired change, please submit via the 'Document' or 'Portal Ticket' sections -- or contact Hess Owner Relations.

i. What is the difference between the 'Document' and 'Portal Ticket' sections?

Portal Tickets communicate with the Hess Owner Relations case management system. You can follow your case's status through resolution through the Portal. Requests submitted to the 'Documents' section are handled by other departments at Hess, and you will not be able to track the status through the Portal.

See the below table to determine whether you should submit your request as a 'Document' or a 'Portal Ticket':

Document types:

Escheat/Unclaimed Property
General/Misc Documents
Email Address change
Signed Division Order
Name Change
TIN Submission (W-9, W-8 BEN, ETC)

Portal Ticket categories:

JIB Payment
Purchase or Leasing Opportunity
Calculation Requests
Ownership Transfer
Agreement Terms
Lease Copy Request
Interest Information

2. Interest Questions

a. How are my mineral ownership and net revenue interest calculated?

Your ownership interest is calculated by an independent title attorney engaged by Hess. The title attorney reviews all documents in the real property records pertaining to ownership of property in the lands at issue. Using those documents, he or she will calculate the net mineral acres owned by each mineral owner and review each owner's oil and gas lease royalty provisions.

The title attorney will also calculate each owner's "net revenue interest," which is typically an eight-decimal numeral. The net revenue interest represents each owner's share of production from a well and is calculated by taking the lease royalty times the owner's net mineral acres divided by the gross acres in the well's spacing unit. For example, if you own 40 net mineral acres in a 1280 acre spacing unit, and your oil and gas lease provides for a 1/6 royalty, your net revenue interest is $1/6 \times 40/1280 = .00520833$. The title attorney provides this information to Hess in a division order title opinion containing those calculations. Hess uses the division order title opinion as the foundation of its payment decks.

b. Why am I not being paid for my interest?

If you have an interest in a unit where a well is operating, but you are not being paid, the most likely reason is that your interest is in suspense. Hess may put an interest in suspense for a variety

of reasons, including that there is a title dispute or when the mineral owner cannot be located. If you believe that your interest is in suspense, you may contact Hess Owner Relations to learn more.

c. What is a division order?

A Division Order is a document created by a well operator that details the operator's understanding of how the revenue is supposed to be paid at the time that the Division Order is created. Hess's division orders set forth the net revenue interest Hess believes a given party owns in a given well. The decimals laid out in the Division Order and even the parties listed as receiving a share of revenue may change over time if the operator's understanding of title changes.

3. Revenue Questions

a. When will I receive my check?

In North Dakota, the royalty owner generally must be paid within 150 days after oil or gas produced under the lease is marketed. Typically, Hess pays oil royalties one month after the production month and gas royalties two months after the production month. However, the payor may pay semiannually where the aggregate amount of the payment is less than \$50. Revenue checks will be mailed on the 25th of the month, unless the 25th falls on a non-business day, in which case checks will be mailed the following business day. Direct deposits are made three business days after the checks are manually mailed.

b. Can I look at my check detail online?

Yes. You can view your upcoming check a day or two before it is mailed. Navigate to the 'Payment History' section in the My Account drop-down menu and input Date or Check Number filters. If your request times out, try a smaller request, e.g. two months instead of six.

c. How is my check calculated?

The amount of the check will equal your revenue interest multiplied by the gross proceeds of the well, minus taxes, allowable deductions, and any other adjustments (for example if there has been a prior period adjustment on a well in which you have an interest or if you are a working interest owner and your interest is in JIB netting).

d. Why do I see several months of entries for one well on the same check?

The most common reason you would see several months of entries for one well on the same check is that there has been a prior period adjustment (PPA). PPAs are adjustments to prior payments based on new information or subsequent events. For example, an update or change to the price received for the oil or gas can cause PPAs to be positive or negative. Similarly, a change in the title

records for a particular well may impact ownership in the well. It is not uncommon for PPAs to affect production that is months or even years old.

e. What are the revenue deductions that appear on my check stub?

The revenue deductions that appear on your check stub reflect post-production costs Hess incurs on your behalf to gather, process, and transport oil and gas, and are generally charged as a pro rata share of the hydrocarbons attributable to your interest subject to the terms of your lease or other document granting you an interest or participation in the well. Hess incurs these costs to ensure that it can move oil and gas production from the well pad to its ultimate market. Hess also deducts production, oil extraction, and additional severance taxes, as required by law.

f. What are the categories of deductions that appear on my check?

To the extent deductions are taken, check stubs that Hess issues include four categories of deductions: “transportation,” “processing,” “compression,” and “administrative costs.” North Dakota law requires Hess to use those four categories for check stubs issued to royalty interest owners. The format of the Hess check stub is the same for working interest owners and royalty owners.

g. I own only royalty interests. For some of my interests, I see no deductions, on other interests I see deductions. Why is that?

Hess pays royalties based on the lease language. Deductions chargeable to royalty interest owners may vary according to the language of the underlying lease.

h. As a royalty owner, it appears as though Hess charges me negative balances incurred on my share of the combined gas stream. Why is that?

The “combined gas stream” refers to both natural gas liquids (shown on the royalty statement as plant products) and the remaining gas, which are separated from each other in the course of processing gas production from Hess’s wells. For gas that is handled on Hess Midstream systems, Hess does not charge royalty owners for any negative balances incurred after subtracting transportation, processing, and/or compression costs from their share of the combined gas stream. Royalty owners’ check stubs do, however, occasionally include prior period adjustments (PPAs), which are adjustments to prior payments based on new information or subsequent events. For example, an update or change to the price received for the oil or gas can cause PPAs to be positive or negative. However, the overall value of the combined gas stream across all accounting months for a particular production month should not go negative. Additionally, mandatory tax withholding may lead to a small negative balance for gas shown on the check.

i. **Why is Hess sending me a 1099?**

A 1099 is a form required by the IRS to report various types of income other than wages, salaries, and tips (for which a form W-2 is used instead). The payor of royalties (usually the operator) is required to complete a 1099. Three copies are made: one for the payor, one for the payee, and one for the IRS. If the payor does not have the payee's social security number, the payor must withhold state and federal income taxes.

j. **How do I avoid mandatory tax withholding?**

Hess is required to report to the Internal Revenue Service any earnings or losses that may affect your federal tax return or your taxable income. If Hess records do not include a taxpayer identification number (TIN) or social security number to complete that reporting obligation, it is obligated to withhold the mandatory withholding amount. You can avoid that mandatory tax withholding by providing Hess with your taxpayer identification number by way of an IRS W-9 form. This form is a formal written request for information only and is used solely for the purpose of confirming a person's taxpayer identification number. You can submit your completed W-9 in the 'Documents' section of the Portal.

Please note: FAQs (k)-(n) are applicable only to working interest owners. These FAQs are not applicable to royalty owners.

k. **I have both royalty and working interests. Why are the deductions for each interest different?**

Working interest owners bear some deductions that are not charged to royalty interest owners. Working interest owners (but not royalty interest owners) pay a nominal per-barrel marketing fee for plant products transported by rail or truck and a per-barrel marketing fee for oil. Working interest owners also incur any negative balances existing after subtracting transportation, processing, and/or compression costs from any revenue attributable to the combined gas stream.

l. **As a working interest owner, what services make up the "administrative costs" deduction that I see on my check?**

North Dakota law requires that check stubs issued to royalty interest owners identify deductions as either "transportation, processing, compression, or administrative costs". The format of the Hess check stub is the same for working interest owners and royalty owners.

Prior to 2022, Hess' "administrative costs" deduction for working interest owners consisted of (1) any negative balances existing after subtracting transportation, processing, and/or compression costs from any revenue attributable to the owner's share of the combined gas stream; (2) any transportation, processing, and/or compression costs attributable to a royalty or overriding-royalty owner associated with your working interest that are not charged to the royalty or overriding royalty owner (such as negative balances or costs associated with a royalty owner with

a lease that does not allow for deductions); and (3) a per-barrel marketing fee for plant products transported by rail or truck or a per-barrel marketing fee for oil.

From 2022 onward, any such negative balances are no longer shown under the “administrative costs” category. Negative balances are now shown on check stubs in the respective category from which they originated (*i.e.*, transportation, processing, or gathering).

m. As a working interest owner, why did I see a drop in the “administrative costs” deduction beginning on January 1, 2022?

Before 2022, Hess’ accounting software did not permit Hess to allocate negative balances for post-production services to the respective categories. Hess was able to update the software, and as of January 1, 2022, any negative balances chargeable for gathering, processing, and compression are no longer shown under the “administrative costs” category. Negative balances are now shown on check stubs in the respective category from which they originated.

n. I see my revenue information, but I cannot access my Joint Interest Billings through the portal, why is that?

At this time, your Joint Interest Billings are not available through the portal. Please continue to use EnergyLink to download your Joint Interest Billings.