

Important Tax Information

FourPoint Energy, LLC
100 St. Paul, Suite 400
Denver CO 80206

2016 Miscellaneous Income
SUBSTITUTE Form 1099-MISC OMB No. 1545-0115
A **PAYER'S Federal identification number** 46-4003189
PAYER'S Phone Number: 303-290-0990

B **RECIPIENT'S identification number:** 123-45-6789
Payer's ID # for recipien XXXXX

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

1099 Box	1099 Amount	Deductions From Revenue	Amount
1 Rents	0.00	Production Taxes	20.00
C 2 Royalties	100.00	Other Revenue Deductions	50.00
3 Other Income	0.00	Netted JIB Charges	0.00
4 Federal income tax withheld	0.00	Federal Withholding	0.00
5 Fishing boat proceeds	0.00	State Withholding	0.00
6 Medical and health care payments	0.00		
D 7 Nonemployee compensation	700.00	Net Revenue Payments made to you	800.00
8 Substitute payments in lieu of dividends or interest	0.00		
10 Crop insurance proceeds	0.00		
13 Excess golden parachute payments	0.00		
14 Gross proceeds paid to an attorney	0.00		
16 State Income Tax Withheld	0.00		
E			
Total Amount Reported to IRS	800.00		

KEY

- A** This is FourPoint's Federal Identification Number.
- B** This is the recipient's SSN/TIN and owner number with FourPoint Energy. Please reference this number when calling owner relations.
- C** This amount represents the total gross income you have received from FourPoint Energy attributed to your royalty interest.
- D** This amount represents the total gross income you have received from FourPoint Energy attributed to your working interest or for services performed.
- E** These amounts represent the total withheld for federal and state taxes. State taxes withheld are associated with the State of Oklahoma. FourPoint Energy's Oklahoma state number is the same as our federal identification number.

If you received a 1099 from FourPoint Energy, the amount reported to the IRS represents only the total paid by FourPoint Energy. If you have received checks from a company prior to FourPoint acquiring the well, you may potentially receive a 1099 from that company as well.

1 When can I expect to receive my 1099?

- Your 1099 will be mailed to you not later than January 31. Please allow 10 business days after January 31 before contacting FourPoint if you have not received your 1099.

2 Why didn't I receive a 1099 even though I received checks from FourPoint Energy?

- We do not issue a 1099 if the total amount paid for your royalty interest(s) or working interest(s) are under \$10.00 or \$600.00 respectively, unless your federal or state taxes were withheld. We also do not issue a 1099 to corporations, government entities, and certain financial institutions regardless of the total amount paid.

3 Why is the amount reported to the IRS higher than the total of all my checks received?

- The amount reported to the IRS is the gross income before taxes, deducts, and netted JIB charges. Any associated taxes, deducts, and netted JIB charges will be listed under the "Deductions From Revenue" section of the 1099.

4 Why is there Federal Withholding on my 1099?

- We are obligated by law to withhold 28% of your net income if we do not have a properly completed W-9 on file. To remove the Federal Withholding in future years, please send in a properly completed W-9.

5 I've sold or transferred my interest, why am I receiving a 1099?

- The individual or entity the check was paid to the order of will be the recipient of the 1099. If you have transferred or sold your interest, please visit our Change of Ownership section to understand and review the required documents needed to make changes to your ownership account.

6 Which state is the State Withholding associated with?

- Oklahoma is the state that your State Withholding is associated with.

7 What is FourPoint Energy's Oklahoma State Number?

- FourPoint Energy's Oklahoma State Number is the same as our Federal EIN which can be found on the top right hand corner of your 1099.