



FORENSIC MINERAL AUDITING FOR ROYALTY OWNERS

Shannon Springs, LLC

Mineral interest forensic audits for Attorneys, Trustees, CPAs and Family Offices

7661 McLaughlin Rd, Suite 2010, Falcon, CO 80831 | mark@shannonsprings.com | 719-290-1780

SAMPLE - REDACTED FOR OUTREACH | GRADY COUNTY PILOT

Fiduciary Review Summary

Prepared for: Prospective Fiduciary / Advisor Review

Prepared by: Shannon Springs, LLC

Date: June 11, 2026

Confidential - illustrative working paper only

Remittance at a glance

Operator / payor	[Redacted - Oklahoma independent operator]
Check number	107765
County / state	Grady County, Oklahoma
Production on this remittance	November 2024 (single month)
Statement year	2024
Review status	ADVISOR_REVIEW
Owner interest	Fractional mineral interest (contractual NRI on file)

CLIENT TAKEAWAY

- **Scope:** One operator remittance (check 107765, November 2024 production, Grady County) on a fractional NRI.
- **Flagged on this check:** ~\$38.85 in combined fee and pricing shortfalls, plus severance/withholding flags and 3 producing section wells not paid on this stub.
- **Recommended next step:** Obtain prior remittances for the same check series to determine whether deductions, affiliate pricing, and spacing issues recur.

Why the headline number looks small

The **\$18.99** in our pipeline is **disallowed post-production deductions only** - lease-backed recoverable fees on this check. It does **not** include below-market affiliate gas pricing (~\$19.86 estimated this period), tax reconciliation flags, unstated section wells, or any prior months.

On a fractional interest, per-check amounts are often modest. The fiduciary question is whether the pattern is systematic - and what it sums to over time.

Exposure breakdown - this remittance only

Issue category	Est. this check	Notes
Disallowed COMP & TRANS (lease: no post-prod deductions)	\$18.99	Recoverable fee violation - 2 wells
Below-market affiliate gas pricing vs. regional hub	~\$19.86	Hub-price shortfall estimate; advisor review before demand
Severance / OK withholding	Flagged (2)	Reconcile remittance footer vs. export totals
Section spacing - wells not on stub	3 wells	Additional producing wells in section not paid here
Combined fee + pricing (this period)	~\$38.85	Separate issue types; not double-counted in \$18.99 field

Illustrative pattern (not a legal claim)

If remittances with similar deduction and pricing patterns were issued **monthly on these two Section 12 wells alone**, combined exposure would be on the order of **~\$466/year** on this fractional interest - before statutory interest, larger NRI interests, or royalty from the three unstated section wells.

A full engagement pulls prior checks back to first production to replace this illustration with a cumulative ledger.

Recommended advisor actions

- Review **2** post-production fee violations (\$18.99 recoverable this check).
- Quantify **2** affiliate pricing flags (~\$19.86 hub shortfall this period).

- Review **2** severance / Oklahoma withholding flags.
- Investigate **3** section wells absent from stub.
- Obtain **prior remittances** for the same check series to test whether issues recur.

Finding summary (redacted wells)

One row per issue per well. Category totals appear in Exposure breakdown above.

Post-production deductions

Well	Issue	Status
Section 12 Well A	Disallowed COMP & TRANS vs. lease	FEE_VIOLATION
Section 12 Well B	Disallowed COMP & TRANS vs. lease	FEE_VIOLATION

Affiliate / transfer pricing

Well	Product	vs. regional hub	Affiliate purchaser	Status
Section 12 Well A	GAS	>20% below benchmark	Yes - affiliated midstream	AFFILIATE_PRICING_VIOLATION
Section 12 Well B	GAS	>25% below benchmark	Yes - affiliated midstream	AFFILIATE_PRICING_VIOLATION

Severance & Oklahoma withholding

Well	Issue	Status
Section 12 Well A	Reported severance exceeds expected owner-share GPT	SEVERANCE_OVER
Section 12 Well B	Reported severance exceeds expected owner-share GPT	SEVERANCE_OVER

Sample disclaimer. This redacted demonstration is derived from a Grady County, Oklahoma pilot audit (check 107765, November 2024 production). Operator name, well identifiers, and client information have been removed. Annualized and combined figures are illustrative extrapolations from a single production month - not legal claims, settlement offers, or guarantees of recovery.

Not legal, tax, or investment advice. Shannon Springs, LLC is not a law firm and does not provide legal advice, tax opinions, or investment recommendations. This memorandum summarizes automated forensic mineral accounting of operator remittance data against lease terms and public regulatory references for fiduciary and advisory review only. Independent counsel licensed in the relevant jurisdiction should review any operator correspondence, demand, or regulatory filing before it is sent.

Limitation of liability. Sample and marketing materials are provided “as is” without warranty of completeness, accuracy, or fitness for a particular purpose. Shannon Springs, LLC is not liable for decisions made in reliance on this demonstration. Paid engagements are governed by a separate written engagement letter, which controls over this sample.

Shannon Springs, LLC | mark@shannonsprings.com | 719-290-1780