**FREQUENTLY ASKED QUESTIONS**

1. **Why is the appraised value greater than the income I received last year (or expect to receive this year)?**

Ans. The appraisal reflects the fair market value of the property and would normally be more than one year's income. {It would approximate one year's income if it were expected to become uneconomic to produce within the next year or so.) The question to ask yourself is would I sell it for the income I expect to receive this year? Normally, the answer is no because more income is expected in the following years.

1. **I receive offers in the mail that are quite a bit lower than what you have it appraised at. Why don't you drop the value to what I've been offered?**

Ans. Fair market value is based on what a willing seller would accept as well as what a willing buyer would give for the property. Often times, mineral owners will receive solicitations to purchase their mineral rights. Most times these are companies that will offer a very little percentage of the lease’s market value…in order to make a profit.

1. **Does each owner have to protest to get a value change applied to them?**

Ans. No. If a change is made to one interest in a mineral lease, the other mineral owners benefit from the same change. In other words, if a change is made to a lease, it’s total value is changed and that total value is then spread over the entire division of interest.

1. **Why did my value go up from last year?**

There are several reasons why the value of a particular well (or group of wells) would increase. The primary reasons are a change in the forecast of future production rates **and/or** increases in the market price of oil and gas.

* Oil and gas prices vary with the market for oil and gas.
* The forecasted production can increase from year to year due to workovers or perhaps because the operator works on the well and gets a major increase in production rate. It could also be because the previous year's forecast turned out to be low compared to the actual performance of the well. Each well is appraised each year with the new appraisal being independent of the previous appraisal.