

Domestic Energy Development is acquiring mineral, royalty and overriding royalty interests throughout the United States. We offer owners very generous lump-sum payouts, providing them the freedom to use the proceeds in any way they wish while alleviating them of worries about their erratic and inevitably declining royalty checks.

We are able to do this because we are able to spread the risk of production over a number wells reduce our exposure to drilling risk and the commodity price fluctuations by trading on the New York Mercantile Exchange.

FAQ

1. What advantages are there to selling my minerals and royalties for a lump sum?
2. Is it true that oil and gas prices fluctuate?
3. Do all mineral and royalty interests lose value over time?
4. How does Domestic determine the value of a royalty or mineral interest?
5. Why does Domestic Energy Development want to buy my mineral and royalty interests?

WHY SELL?

Many mineral and royalty owners sell their interests for the following reasons:

1. They want to clean up their estate and save their heirs from the complicated and expensive title transfer process.
2. They live off their royalties and would be much more secure if they sold and reinvested the proceeds in safer investments.
3. They have an immediate need for cash, but don't want to build up high-interest credit card debt.
4. They want to put an end to all the record keeping and paperwork.
5. They want to take advantage of the lowest long-term capital gains tax rate (15%) before Washington follows through on promises to let the Bush tax cuts expire.
6. They have medical bills that aren't covered by health insurance or Medicare.
7. They want to pay off the house for a more secure lifestyle.
8. They want to pursue an attractive business opportunity.

Is it true that oil and gas prices fluctuate?

Yes, like the stock market, oil and gas prices tend to climb in times of speculative exuberance, and then plummet once the realities of supply and demand overwhelm the emotion of the market. Those who held onto their technology stocks until the bust of the dot-com bubble learned this lesson the hard way. There has never been a better time to sell mineral and royalty interests.

Do all mineral and royalty interests lose value over time?

Yes. Oil and gas reserves are finite, and every oil and gas well is destined to be plugged and abandoned. So, although royalty income can increase in the short term due to rises in oil and gas prices or production enhancement projects, you can be certain that your royalty checks will decline over the long run and will one day stop coming.

How does Domestic determine the value of a royalty or mineral interest?

The following are factors we consider when valuing your minerals, royalties and overrides:

1. Historical production performance
2. Reservoir characteristics
3. Current gas and oil pricing
4. Concentration risk (one well versus multiple wells as in a unit)
5. Age of production equipment
6. Future drilling possibilities
7. Operator

To determine the value of an interest, we begin by looking at the specific reservoir. Since oil and gas are depleting resources, every gas and oil reservoir has a rate of decline. Every reservoir has its own unique characteristics, geologically and through the gathering techniques of the operator, such as water or gas driven reserves.

Through the use of decline curve analysis, individual royalty interest amount, current oil and gas prices, as well as oil and gas future prices, we can establish a fair and equitable value for the acquisition of your mineral interest or royalty.

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