

CHESAPEAKE OPERATING, LLC  
P.O. BOX 18496  
OKLAHOMA CITY, OK 73154

For questions contact:  
Owner Relations  
1-877-245-1427  
contact@chk.com

OWNER NAME  
STREET ADDRESS  
CITY STATE ZIP

Taxes = \$ 1,044.46 **1**  
Net = \$ 22,055.44 **2**

**Instructions for Recipient**

**Recipient's identification number.** For your protection, this form may show only the last four digits of your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN). However, the issuer has reported your complete identification number to the IRS.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**FATCA filing requirement.** If the FATCA filing requirement box is checked, the payer is reporting on this Form 1099 to satisfy its chapter 4 account reporting requirement. You also may have a filing requirement. See the Instructions to Form 8938.

**Amounts shown may be subject to self-employment (SE) tax.** If your net income from self-employment is \$400 or more, you must file a return and compute your SE tax on Schedule SE (Form 1040). See Pub. 334 for more information. If no income or social security and Medicare taxes were withheld and you are still receiving these payments, see Form 1040-ES (or Form 1040-ES(NR)). Individuals must report these amounts as explained in the box 7 instructions on this page. Corporations, fiduciaries, or partnerships must report the amounts on the proper line of their tax returns.

**Form 1099-MISC incorrect?** If this form is incorrect or has been issued in error, contact the payer. If you cannot get this form corrected, attach an explanation to your tax return and report your income correctly.

**Box 1.** Report rents from real estate on Schedule E (Form 1040). However, report rents on Schedule C (Form 1040) if you provided significant services to the tenant, sold real estate as a business, or rented personal property as a business.

**Box 2.** Report royalties from oil, gas, or mineral properties, copyrights, and patents on Schedule E (Form 1040). However, report payments for a working interest as explained in the box 7 instructions. For royalties on timber, coal, and iron ore, see Pub. 544.

**Box 3.** Generally, report this amount on the "Other income" line of Form 1040 (or Form 1040NR) and identify the payment. The amount shown may be payments received as the beneficiary of a deceased employee, prizes, awards, taxable damages, Indian gaming profits, or other taxable income. See Pub. 525. If it is trade or business income, report this amount on Schedule C or F (Form 1040).

**Box 4.** Shows backup withholding or withholding on Indian gaming profits. Generally, a payer must backup withhold if you did not furnish your taxpayer identification number. See Form W-9 and Pub. 505 for more information. Report this amount on your income tax return as tax withheld.

**Box 5.** An amount in this box means the fishing boat operator considers you self-employed. Report this amount on Schedule C (Form 1040). See Pub. 334.

**Box 6.** For individuals, report on Schedule C (Form 1040).

**Box 7.** Shows nonemployee compensation. If you are in the trade or business of catching fish, box 7 may show cash you received for the sale of fish. If the amount in this box is SE income, report it on Schedule C or F (Form 1040), and complete Schedule SE (Form 1040). You received this form instead of Form W-2 because the payer did not consider you an employee and did not withhold income tax or social security and Medicare tax. If you believe you are an employee and cannot get the payer to correct this form, report the amount from box 7 on Form 1040, line 7 (or Form 1040NR, line 8). You must also complete Form 8919 and attach it to your return. If you are not an employee but the amount in this box is not SE income (for example, it is income from a sporadic activity or a hobby), report it on Form 1040, line 21 (or Form 1040NR, line 21).

**Box 8.** Shows substitute payments in lieu of dividends or tax-exempt interest received by your broker on your behalf as a result of a loan of your securities. Report on the "Other income" line of Form 1040 (or Form 1040NR).

**Box 9.** If checked, \$5,000 or more of sales of consumer products was paid to you on a buy-sell, deposit-commission, or other basis. A dollar amount does not have to be shown. Generally, report any income from your sale of these products on Schedule C (Form 1040).

**Box 10.** Report this amount on Schedule F (Form 1040).

**Box 13.** Shows your total compensation of excess golden parachute payments subject to a 20% excise tax. See the Form 1040 (or Form 1040NR) instructions for where to report.

**Box 14.** Shows gross proceeds paid to an attorney in connection with legal services. Report only the taxable part as income on your return.

**Box 15a.** May show current year deferrals as a nonemployee under a nonqualified deferred compensation (NQDC) plan that is subject to the requirements of section 409A, plus any earnings on current and prior year deferrals.

**Box 15b.** Shows income as a nonemployee under an NQDC plan that does not meet the requirements of section 409A. This amount is also included in box 7 as nonemployee compensation. Any amount included in box 15a that is currently taxable is also included in this box. This income is also subject to a substantial additional tax to be reported on Form 1040 (or Form 1040NR). See "Total Tax" in the Form 1040 (or Form 1040NR) instructions.

**Boxes 16-18.** Shows state or local income tax withheld from the payments.

**Future developments.** For the latest information about developments related to Form 1099-MISC and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form1099misc](http://www.irs.gov/form1099misc).

|   |   |  |  |  |  |
|---|---|--|--|--|--|
|   |   | <input type="checkbox"/> CORRECTED (if checked)  |  | REISSUED STATEMENT   |  |
| PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.<br>CHESAPEAKE OPERATING, LLC<br>P.O. BOX 18496<br>OKLAHOMA CITY, OK 73154 |   | 1 Rents<br>\$  | OMB No. 1545-0115<br><b>2015</b><br>Form 1099-MISC           | <b>Miscellaneous Income</b>  |  |
|   |   | 2 Royalties<br>\$ 23,099.90 <b>3</b>   | 4 Federal income tax withheld<br>\$ <b>4</b>                 |  |  |
|   |   | 3 Other income<br>\$   | 5 Fishing boat proceeds<br>\$                                | 6 Medical and health care payments<br>\$   |  |
| PAYER'S federal identification number<br>73-1343196   | RECIPIENT'S identification number<br>SSN OR ID #  | 7 Nonemployee compensation<br>\$ <b>5</b>  | 8 Substitute payments in lieu of dividends or interest<br>\$ | 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. |  |
|   |   | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> | 10 Crop insurance proceeds<br>\$                             |  |  |
|   |   | 11   | 12   |  |  |
| Account number (see instructions) <b>6</b> XXXXXXREV020   | FATCA filing requirement <input type="checkbox"/> | 13 Excess golden parachute payments<br>\$  | 14 Gross proceeds paid to an attorney<br>\$                  |  |  |
| 15a Section 409A deferrals<br>\$  | 15b Section 409A income<br>\$                     | 16 State tax withheld<br>\$ <b>7</b>   | 17 State/Payer's state no.<br>STATE / <b>8</b>               | 18 State income<br>\$ 23,099.90 <b>9</b>   |  |

Form 1099-MISC (keep for your records) www.irs.gov/form1099misc Department of the Treasury - Internal Revenue Service

- Owners proportionate share of lease tax as reflected on your revenue detail issued between January 1 and December 31 of the tax year
- Net revenue distributed to you on payments issued from January 1 to December 31 of the tax year; does not include netted expenses
- Owner gross value for royalties (including overriding royalties and production payments) distributed to you between January 1 and December 31 of the tax year
- Federal backup withholding, most commonly withheld because your tax identification number was not on file with Chesapeake at the time of payment; complete and submit a W-9 to contact@chk.com to avoid future withholdings
- Owner gross value for working interest revenue distributed to you between January 1 and December 31 of the tax year
- This number uniquely identifies your Chesapeake account; please have this number available when contacting Chesapeake with questions
- Amount of state taxes withheld as required by New Mexico (non-resident), Oklahoma (non-resident), Montana (as required) and Utah (as required)
- State(s) in which income is reportable
- Gross amount of revenue reportable to the state(s) in which the well(s) are located. It is the combined total of boxes 2 and 8 of the 1099 form