VALOR®

Case Study

$1.4 Million in Suspended Revenue Found Within Six Months

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At a Glance

Portfolio: 133 wells · 19 counties · 2 basins · 4 states

Amount Recovered: $1.4 million

Timeframe: Funds identified and released within the first six months

A Quiet Problem

Not every revenue problem announces itself. Royalty checks were arriving. Production was active. From the outside, nothing looked wrong.

But when Valor's team took a closer look at this client's portfolio and ran a full review of their interests, the numbers told a different story. Approximately $1.4 million in revenue was sitting in operator suspense accounts, unpaid.

This is one of the most common and most costly patterns we see at Valor. Suspended revenue does not trigger a notification. Operators are not required to tell you when your funds are being held. If no one is actively looking, the money sits, sometimes until it escheats to the state.

A Portfolio Spanning Four States

The client is a Texas-based royalty interest holder with a portfolio spanning 133 wells across 19 counties, two basins, and four states. Before engaging Valor, the portfolio had been managed directly by the owner. Checks were being deposited, statements were arriving, and there was no obvious sign that anything was missing.

What Valor Found

Within the first six months of the engagement, Valor's team conducted a full review of the client's interests, including ownership verification, division order analysis, and operator-by-operator revenue reconciliation. That process surfaced approximately $1.4 million in suspended revenue spread across six wells with a single operator.

The root cause was a scrivener's error in the recorded instruments tied to those interests. A clerical mistake in the legal documents had created a title question that the operator could not pay through, so the revenue went into suspense. The funds had been sitting there since 2022, nearly four years. While they had not yet escheated to the state, they were approaching the window where that becomes a real risk.

This is the kind of problem that does not show up on a royalty check stub. The client's other interests with the same operator may have been paying normally, which made it even less likely that anyone would notice the gap without a well-by-well reconciliation.

From Discovery to Payment

Once Valor identified the issue in May 2026, the resolution required three things: understanding what the title defect was, preparing the correct curative instrument, and coordinating with the operator to get the funds released.

Valor's team ran the title, pulled the source documents, and identified exactly which corrective instrument was needed to cure the defect. From there, Valor worked directly with the operator's landman to confirm the acceptable form of the corrective filing and coordinated the execution of updated division orders on behalf of the client. The operator was responsive and straightforward to work with. Valor maintains strong relationships with operators across the country, and that kind of direct access to land departments makes a meaningful difference in how quickly suspense issues get resolved.

By the end of August 2026, the funds were released to the client.

The Result

Approximately $1.4 Million Released

Within the client's first six months with Valor, a portfolio that appeared to be operating normally revealed approximately $1.4 million in unpaid revenue.

Valor identified the underlying title issue, determined what was needed to cure it, coordinated directly with the operator, and worked through the resolution process until the funds were released.

The case underscores an important distinction in mineral management: receiving royalty checks does not necessarily mean every producing interest is in pay.

For portfolios spanning multiple wells, operators, counties, and states, finding what is missing requires looking beyond the payments that are arriving and reconciling the portfolio at the individual-interest level.

> **"Everything looked completely normal on our end. Production was moving and checks were arriving. But within our first six months with Valor, they uncovered $1.4 million in held revenue. They stepped in, handled the entire resolution process, and got the funds released seamlessly."**
>
> **— Mineral Owner, Valor Client**