

Minerals, A Split Estate

Determining who owns which mineral rights for a particular piece of land can be a tedious, time-consuming process.



IN THIS COURSE

What minerals am I searching for?

Things like coal, oil, gas, metals, sand, precious metals, hydrocarbons, etc.

What is considered a Mineral?

A scientist will use the periodic table. The strictest definition of a “mineral” is as a naturally-occurring inorganic substance having a definite chemical composition and physical structure.

Course Topics Include

Introduce the class to the split estate of Mineral Law. Topics include Federal, State, Railroad, & Private Mineral ownership. Definition of what is a mineral as well as case law.

What does it mean to Buyer and Seller

By Braiden Burns

Not knowing who actually owns the Mineral Rights affects both the buyer and seller. Imagine how your buyers may react when a mining operation begins in their front yard? Or when the drilling rigs move into their fields?

- MINERAL OWNERSHIPS **DO NOT** AUTOMATICALLY TRANSFER FROM DEED TO DEED. MINERAL AND SURFACE OWNERSHIPS ARE SEPARATE ESTATES AND EITHER ONE CAN BE CONVEYED WITH NO CONCERN FOR THE OTHER. MINERAL OWNERSHIP, LEASES, AND ROYALTIES MAY NOT BE DISCOVERED DURING TITLE COMMITMENT.
- YOUR SELLER MAY NOT KNOW THEY ONLY HAVE THE SURFACE LAND TO SELL. THIS COULD MAKE THE PROPERTY LESS VALUABLE AND/OR ATTRACTIVE TO A POTENTIAL BUYER.
- YOUR BUYER MAY GENERATE INCOME FROM MINERALS ON THE PROPERTY ONLY TO FIND OUT THEY OWE ROYALTIES TO ANOTHER PARTY OR HAS NO RIGHT TO THE INCOME AT ALL.

UNDERSTANDING MINERAL OWNERSHIP



Why it's important for realtors to know

The following is why Realtors need to understand Mineral Right Ownership when selling properties, farms, ranches, and patented mining claims.

- MINERAL OWNERS ARE DOMINANT WITH THE RIGHT TO USE THE SURFACE AS IT IS REASONABLY NECESSARY TO EXPLORE FOR, DEVELOP, COLLECT AND REMOVE SUCH MINERALS. REALTORS NEED TO KNOW WHAT IS CONSIDERED A MINERAL AND THAT EACH MINERAL MAY HAVE BEEN INDIVIDUALLY RESERVED.
- IT IS VERY LIKELY THAT THE SURFACE OWNERSHIP AND MINERAL OWNERSHIP HAS BEEN SEVERED DECADES PRIOR, MEANING ONLY THE SURFACE IS ABLE TO BE PURCHASED AND SOMEONE, OR SEVERAL OTHERS OWN THE MINERALS OR MINERAL ROYALTIES.

