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The Essentials to Conveying and Chaining Title

The Importance of Dates and Recording

Title

Synopsis of Important Data

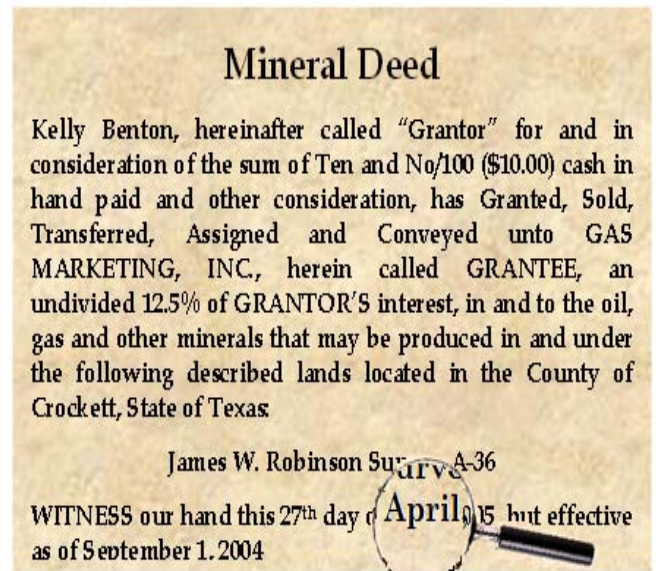
When examining deeds and/or conveyances certain important data must be retrieved including:

1. the exact names of grantor and grantee,
2. the effective date of the instrument,
3. the recording or filing date of the instrument,
4. the book and page number where the instrument is filed of record,
5. the exact legal description
6. any reservations that might appear on the record.
7. Any other pertinent information that might affect ownership.

The importance of Dates

It is important to note that an instrument can be made effective at, before, or after the date it is actually signed by simply stating what the effective date will be in the document. In the following illustration, the mineral deed states, "Witness our hand this 27th day of April, 2005 but effective as of *September 1, 2004.*" As long as the grantor was in possession of the granted interest on the date of purported delivery, title will pass without any issues. On the other hand, the effective date in the Mineral Deed could have said, "Witness our hand this 27th day of April, 2005 but made effective *July 1, 2005.*"

This could create a problem if the effective date of July 1, 2005 conveyed an interest prior to the time of ownership by the grantor. This can often become confusing, especially if title is not *straight forward*. The date affixed on an instrument becomes the prima facie evidence of the date of delivery; however, if there is a conflict between the date affixed to the instrument and the date it was acknowledged, the majority of courts hold that the date affixed to the instrument is the correct one to use. If there is no date affixed to the instrument, the acknowledgment date will serve as the prima facie evidence



of the date of delivery. Prima Facie is a Latin term meaning that on first examination a matter appears to be self-evident from the facts. Prima facie denotes evidence that, unless rebutted, would be sufficient to prove a particular proposition or fact.

Scenario 1: Assume that the following two deeds are found in the chain of title. Both have been appropriately executed, notarized and recorded. Also assume that at the time of the first deed, Donald Smith owned 100% of the surface and subsurface. Examine the two deeds closely. Do you see any issues with the dates?

Reception #445213

Warranty Deed

Donald Smith, hereinafter called "Grantor" for and in consideration of the sum of Ten and no/100 (\$10.00) cash in hand paid and other consideration, has Granted, Sold, Transferred, Assigned and conveyed unto **Kathy Sherman**, herein called GRANTEE, all of GRANTOR'S interest in and to the following described lands located in the County of Crockett, State of Texas:

The East 200 acres of Section 375, Block H W&NW RR survey

I do hereby Covenant with said Grantee that I am lawfully seized of the said premises; that they are free from all encumbrances; that I have good right and lawful authority to sell the same; and that I shall Warrant and Defend the title to said premises against the lawful claims of all persons whomever.

WITNESS our hand this 22nd day of October, 2004, but effective as of September 1, 2004.

Signed Donald Smith

STATE OF TEXAS }
COUNTY OF Crockett }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Donald Smith, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed. Given under my hand and official seal, this 23th day of October, 2004 A.D.

Jason Morales, Notary Public, in and for Crockett County, Texas.

FILED FOR RECORD, this 30th of October, 2004, at 8:30 O'clock A.M. and recorded, this 30th day of October, 2004 at

Reception #477890

Mineral Deed

Kathy Sherman, hereinafter called "Grantor" for and in consideration of the sum of Ten and No/100 (\$10.00) cash in hand paid and other consideration, has Granted, Sold,

Scenario 2: Assume the next deed found in the court house records is the following Correction to the Mineral Deed. Examine the same and determine if this correction deed has corrected the issue or created a different issue.

Reception #479930

Correction Mineral Deed

ANSWER: The correction deed does, in fact, clear up the date ambiguity; however, it creates more than one other issue. First, the correction deed limits its ability to correct anything other than the effective date (read the first sentence in the deed). "This Correction Mineral Deed is in correction and replaces that certain Mineral Deed...*as to the effective date.*" A correction deed can change more than one item; however, in this case, it limits itself to the effective date. The next issue is related to the amount of

mineral interest being conveyed to Sunrise Oil & Gas Inc. The first mineral deed conveyed an undivided 96% of grantor's interest. The correction deed conveys an undivided 12.5%. The general rule is that a correction instrument which is replacing an effective and unambiguous instrument cannot make significant changes to the grantee's name or significantly decrease the grantee's interest without both grantor and grantee's signature on the deed.

The last issue created in the correction deed is related to the Grantee's name. In the first deed, the grantee is shown as SUNRISE OIL & GAS INC (without any comma). In the second, the grantee is shown as SUNRISE OIL & GAS, INC (with a comma). This, of course, is the most minor of the issues but does demonstrate the propensity of a correction deed to create additional curative issues if not done correctly.

The Importance of Recording

The vast majority of states in the United States employ a system of *recording* instruments that affect the title of real estate as the exclusive means for publicly documenting land titles and interests. The office of the court that records land titles are often called the "Recorder of Deeds," or something similar.

Once an instrument affecting title to real estate has been recorded, the law holds that everyone is deemed to know of its existence, even if they haven't searched the records in the recorder's office. This is the doctrine of "constructive notice," and it is nearly universal in the various states.

Actual notice can be defined as a direct notification of a specific fact related to prior conveyances or a notice of facts which might lead a reasonable person to ask certain questions or inquire further into prior activities. At times, a conveyance might reference previous ownership as seen in the example, "thence along lands previously conveyed to Betty Harris." Common law also infers knowledge where there is close kinship between competing purchasers such as siblings.

Doctrine of Bona Fide Purchaser

Most states adhere to the doctrine of a bona fide purchaser. In order for a person to qualify as a bona fide purchaser, they must meet these three criteria:

1. Acquire property that is "recordable"
2. Pay "valuable consideration"

3. Take title to the property "*without notice*" of a third party's claim

Although most states define a bona fide purchaser using the above criteria, states may vary in how they define each of the three categories.

Three types of Recording Issues

When examining recording issues, three main areas of concern are predominant. The first area of concern surrounds instruments that are not recorded. A second area of concern encompasses those issues involving improperly recorded documents. A final area of concern is the individual state recording statutes themselves.

1. Documents that are not Recorded

This issue speaks for itself. Even though there can be severe consequences when holding an important instrument back from being immediately recorded, it still remains the practice of some. An unrecorded instrument is valid between the parties; however, states grant a higher degree of legitimacy for instruments that have been recorded. "Notice" is the key word in this scenario. A properly recorded document provides "constructive notice" to the entire world that a transaction has taken place. Once an instrument affecting the title to real estate has been *recorded*, the law holds that everyone is deemed to know of its existence, even if they haven't searched the records in the recorder's office. The doctrine of constructive notice is nearly universal in the various states and becomes a substitute for having actual notice.

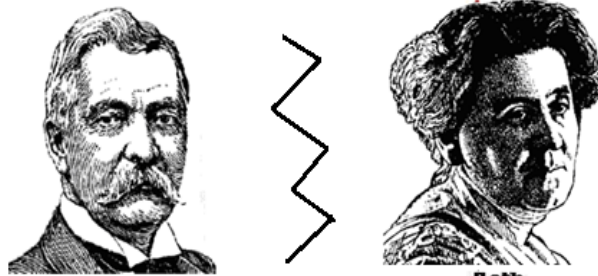
Scenario:

1. Assume that John and Beth owned a tract of land as joint tenants with the right of survivorship. That deed was recorded in 1975.



John Beth

2. In 1995, John and Beth separated.



John

Beth

3. That same year, Beth sold her undivided 50% of the land to Minnie. That Warranty Deed sat in Minnie's dresser drawer having never been recorded.



Minnie

4. Last year, Beth passed away. After the funeral, Minnie decided to record her deed.



Beth

5. Who owns title to the land?

ANSWER: Even though the deed between Beth and Minnie is valid between the two of them, because it was not recorded until after Beth's death, the joint tenancy deed is given the higher degree of legitimacy. If Minnie had, in fact, recorded her deed prior to Beth's death, the joint tenancy between John and Beth would have been broken in most states, and Minnie's claim to 50% of the land would be given the higher degree of legitimacy.

2. Documents that are Improperly Recorded

The second type of recording issue involves improperly recorded documents or those documents that might be recorded but should not have been recorded. For instance, the effect of a defective or missing acknowledgment can vary from state to state but, in some states, an instrument that contains a defect in the acknowledgment would fall into the improperly recorded category. Some jurisdictions would not entitle the instrument to be recorded and would not allow the instrument to be constructive notice to parties outside the instrument. Even though the instrument might have been recorded, it is as if it does not appear in the courthouse records. The statutes of a number of states will grandfather in defective

acknowledgments after they have been of record for a specified number of years, or if they were recorded prior to a certain date.

Another example is related to the types of recorded documents that give constructive notice and those types that would not give constructive notice. Recording statutes provide for the recording of only those documents that will affect or convey "real" property. Often instruments are recorded that do not, in fact, convey or affect real property such as an affidavit that is referring to another instrument. Because the affidavit did not affect or convey title, in some states, it would not constitute constructive notice.

3. Recording Statutes

The last category of concern that surrounds recorded documents involves the individual state recording statutes themselves. The vast majority of states employ a system directing how the recording of these instruments will affect title. As with most property issues, recording statutes vary from state to state. Three general categories of state recording acts are in use in the United States: "notice," "race," and "race-notice" recording statutes.

Race State - Under a Race statute, the first purchaser to record a deed from a common grantor has title. Title is determined by the person who wins the race to the courthouse. Under a race statute, a person can receive a deed to property that was previously conveyed to another party from the same grantor. Even though the subsequent purchaser knows of the previous conveyance, they can still obtain title if they record first. Title is determined by the person who wins the race to the courthouse. Louisiana is a pure "race" jurisdiction state. The bona fide (for value) purchaser becomes the first to record. In some cases, a purchaser has been deemed owner when a prior deed contained a defective description of the property. In Louisiana, an unrecorded oil and gas lease would not affect the parties to



the lease but it will become void if a subsequent bona fide

Assume that Alice pays for and receives a deed to a piece of land. That same day, Betty pays for the same piece of land from the same grantor. Thirty minutes later, Clint does the same thing. Who would be the bonafide purchaser?

In this type of jurisdiction, it simply becomes a race to the courthouse. The first to record is the owner of the property.

lessee records first.

Notice State – Under a Notice statute, the last bona fide purchaser to be conveyed the property from a common grantor without notice of an earlier conveyance has title. A second purchaser will prevail over the first purchaser if there was no notice (constructive-recording or actual-word of mouth) and there was valuable consideration. If the first purchaser records after the second purchaser, the second purchaser wins because at the time of the second purchase there was no notice. If the first and second purchaser fail to record and a third purchaser (without notice and for valuable consideration) files their deed, they win. The last person to be conveyed the property without effective notice of an earlier conveyance has title. Recording provides effective notice and terminates further claims for title. However, recording does not fix title when several previous conveyances have been made. The last person to be conveyed the property without effective notice of an earlier conveyance has title.

Race-Notice - Under a Race-Notice Statute, the bona fide purchaser to first record their deed after being conveyed the property without notice of an earlier conveyance has title. Race-notice gives title to the first innocent purchaser to record. In a race-notice jurisdiction, an unrecorded oil and gas



Alice



Betty



Clint

Assume that Alice pays for and receives a deed to a piece of land. That same day, Betty pays for the same piece of land from the same grantor. Thirty minutes later, Clint does the same thing. Who would be the bonafide purchaser?

In a "Notice Jurisdiction" state, the last innocent purchaser to be conveyed the property from a common grantor has title. Clint would be the bonafide purchaser.

comes void as to a subsequent lessee who pays valuable consideration and is without notice of the unrecorded lease. If the subsequent lessee has notice of the unrecorded lease and records first, they would not be considered a bona fide purchaser. Again, a bona fide purchaser must meet the following qualifications:

1. Acquire property that is recordable;
2. Pay valuable consideration;
3. Be in good faith; and

lease is binding on the parties to the lease but becomes

4. Be without "notice" of the prior claim.

LIST OF THE VARIOUS STATE RECORDING STATUTES

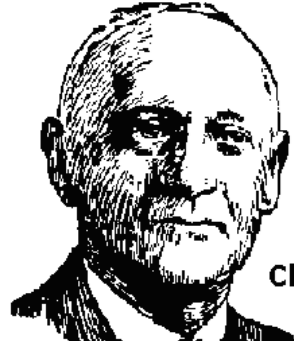
Alabama: Ala. Code Sections 35-4-51 (Michie 1975 & Supp. 1994)



Alice



Betty



Clint

Assume that Alice pays for and receives a deed to a piece of land. That same day, Betty pays for the same piece of land from the same grantor. Thirty minutes later, Clint does the same thing. Who would be the bonafide purchaser?

In a "Race Notice Jurisdiction" state the first innocent party to record would be the bonafide purchaser.

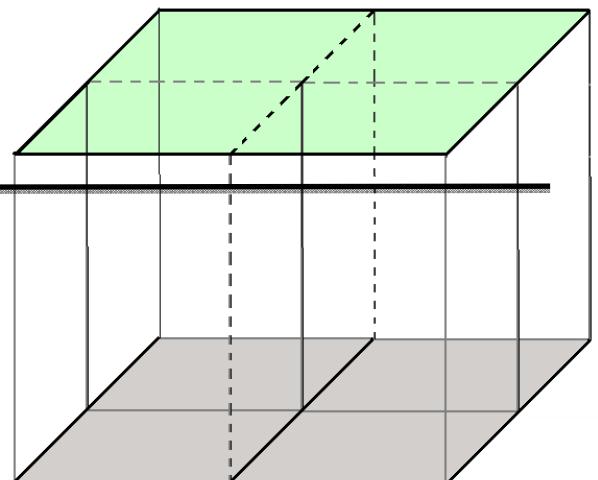
- Stat. Sections 33-411 & -411.01 (supp. 1995)
- Arkansas: Ark. Stat. Ann. Sections 18-40-107 (1987)
- California: Cal. Civ. Code Section 1107 (West 1982)
- Colorado: Colo. Rev. Stat. Section 38-35-109 (1990)
- Connecticut: Conn. Gen. Stat. Ann. Sections 47-10 (West 1986)
- Delaware: Del. Code Ann. Tit. 25, Section 151 (Michie 1989)
- District of Columbia: D.C. Code Ann. Sections 45-801 & -802 (Michie 1989)
- Florida: Fla. Stat. Ann. Section 695.01 (West 1994)
- Georgia: Ga. Code Ann. Section 44-2-1 (West 1991)
- Hawaii: Hawaii Rev. Stat. Section 502-83 (1992)
- Idaho: Idaho Code Section 55-611 (1988)
- Illinois: 765ILCS 5/30 (Smith-Hurd 1992)
- Indiana: Ind. Code Ann. Sections 32-1-2-11 & -16 (Burns 1994)
- Iowa: Iowa Code Ann. Sections 558.41 (West 1992 & Supp. 1995)
- Kansas: Kan. Stat. Ann. Sections 58-2221 to -2223 (1994)
- Kentucky: Ky. Rev. Stat. Ann. Section 382-110 (Michie 1974 & Supp. 1991)
- Louisiana: La. Rev. Stat. Ann. Section 9:2721 (West 1991 & Supp. 1995)
- Maine: Me. Rev. Stat. Tit. 33, Section 201 (West 1988)
- Maryland: Md. Real Prop. Code Section 3-203 (1998)
- Massachusetts: Mass. Ann Laws Ch. 183, Section 4 (Law. Co-op Supp. 1987)
- Michigan: Mich. Stat. Ann. Section 565.29 (West 1988)
- Minnesota: Minn. Stat. Ann. Section 507.34 (West 1990)

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Mississippi: Miss. Code Ann. Section 89-5-5 (1991)
Missouri: Mo. Ann Stat. Sections 442.380 & .390 (Vernon 1986)
Montana: Mont. Code Ann. Sections 70-21-201 & -302 (1994)
Nebraska: Neb. Rev. Stat. Sections 76-237 & -238 (1990)
Nevada: Nev. Rev. Stat. Ann. Sections 111.320 & .325 (Michie 1993)
New Hampshire: N.H. Rev. Stat. Ann. Section 477:3-a (1991)
New Jersey: N.J. Stat. Ann. Sections 46:2-1 & 46:22-1 (West 1998)
New Mexico: N.M. Stat. Ann. Sections 14-9-1 to -3 (1978)
New York: N.Y. Real Prop. Law Section 291 (McKinney Supp. 1989)
North Carolina: N.C. Gen. Stat. Section 47:18(a) (1984)
North Dakota: N.D. Cent. Code Section 47-19-41 (1978)
Ohio: Ohio Rev. Code Ann. Section 5301.25 (Baldwin 1994)
Oklahoma: Okla. Stat. Ann. Tit. 16 Sections 15 & 16 (West 1986)
Oregon: Or. Rev. Stat. Section 93.640 (Butterworths 1989)
Pennsylvania: Pa. Stat. Ann. Tit 21 Section 351 (Purdon 1955)
Rhode Island: R.I. Gen. Laws Section 34-1-1 (West 1984)
South Carolina: S.C. Code Ann. Section 30-7-10 (Law Co-op 1990)
South Dakota: S.D. Codified Laws Section 43-28-17 (1988)
Tennessee: Tenn. Code Ann. Section 66-5-106 (Michie 1993)
Texas: Tex. Prop. Code Ann. Section 13.001 (Vernon 1984 & Supp. 1995)
Utah: Utah Code Ann. Section 57-3-3 (1994)
Vermont: Vt. Stat. Ann. Tit. 27, Section 342 (1990)
Virginia: Va. Code Ann. Section 55-96 (1995)
Washington: Wash. Rev. Code Ann. Section 65.08.070 (West 1994)

Calculating Net Mineral Ownership

When more than one person owns a mineral interest in the same tract of



land, it can be said that each own an undivided interest in the entire tract. The land professional must be able to calculate the exact net ownership of each person.

In the illustration, there are four square acres of surface and subsurface acres.

Problem 1:

If Tom owned an undivided 25% of the subsurface minerals, how many net mineral acres would he own?

Since he owns an undivided 25% of every acre everywhere he would own 4 acres X 0.25 = 1 net mineral acre. In our example, the 1 net mineral acre is derived from owning a 25% interest in each of the 4 acres.

Problem 2:

If Jake owned an undivided 1/8th interest in the subsurface minerals, how many net mineral acres would he own? _____

1/8th is the same as 12.5%. (1 divided by 8 = 12.5%). 4 acres X 0.125 = .500 mineral acres.

If Jake sold 25% of his .500 mineral acres to his brother Jimmy, how many mineral acres would each of them own?

Jake _____ (4 acres X 0.125 X 0.75 = .375 mineral acres)

Jimmy _____ (4 acres X 0.125 X 0.25 = .125 mineral acres)

Problem 3:

If Jimmy sold 1/5th of his mineral interest to his sister Janice, how many mineral acres would Jimmy and Janice both own?

Jimmy _____ Janice _____

Problem 4:

Farmer Brown owned 100% of 160-acres from the surface to the center of the earth.

Ten years ago he severed an undivided 75% of the minerals when he sold them to Investor #1.

sold
what

Answer:
Jimmy (4 acres X .125 X .25 X 4/5 = 0.100 mineral acres)
Janice (4 acres X .125 X .25 X 1/5 = 0.025 mineral acres)

Investor #1
50% of
he bought to
Investor #2.

Investor #2

sold 25% of what he bought to Investor #3.

How many net mineral acres does each of the parties own?

Farmer Brown _____

Investor #1 _____

Investor #2 _____

Investor #3 _____

5:

Answer:
Farmer Brown - 160 X .25 = 40 net mineral acres;
Investor #1 - 160 X .75 X .50 = 60 net mineral acres;
Investor #2 - 160 X .75 X .50 X .75 = 45 net mineral acres;
Investor #3 - 160 X .75 X .50 X .25 = 15 net mineral acres

Problem

Investor #3 (in the previous problem) died and his estate was passed as follows: his widow 50%; his oldest son 37.5%, his middle son 6.25% and his youngest son 6.25%. How many net mineral acres would each of the heirs own?

Widow _____

Son #1 _____

Son #2 _____

Son #3 _____

Example:

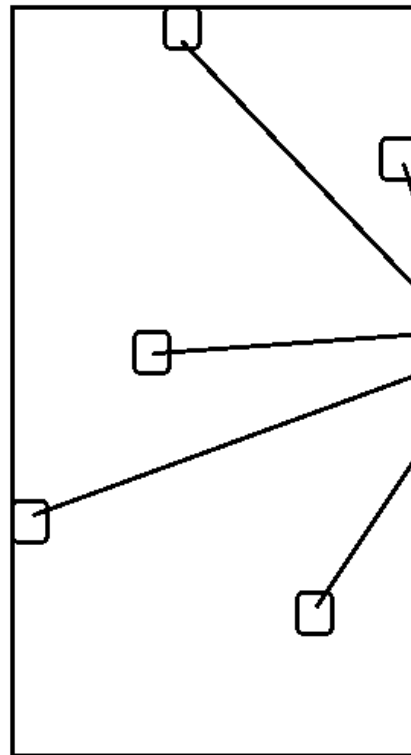
If a

Answer: 160 X .75 X .5 X .25 X .5 = 7.5 net mineral acres; Widow - 160 X .75 X .5 X .25 X .5 = 5.625 net mineral acres; Son # 1 - 160 X .75 X .5 X .25 X .375 = 5.625 net mineral acres; Son # 2 - 160 X .75 X .5 X .25 X .0625 = 0.9375 net mineral acres; Son # 3 - 160 X .75 X .5 X .25 X .0625 = 0.9375 net mineral acres.
--

mineral owner owned an undivided 3/120th

interest in a 120 acre tract of land, he or she would own a total of 3 net mineral acres – 3/120 X 120 gross acres = 3 net mineral acres.

These 3 acres are derived from a 3/120th interest in every acre everywhere no matter where the acres lie.



The owner would own 3/120th of every acre everywhere with a net affect of owning 3 net acres

Using decimals can be

120 acre tract of land

percentages, and fractions confusing but

they are just different ways of showing the same value. For instance:

If you have half of a pie, it can be written...



As a fraction or $\frac{1}{2}$
As a decimal or 0.5
As a percentage or 50%

If you have three-quarters of a pie, it can be written...



As a fraction or $\frac{3}{4}$
As a decimal or 0.75
As a percentage or 75%

If you have eaten an eighth of the pie, it can be written...



As a fraction or $\frac{1}{8}$
As a decimal or 0.125
As a percentage or 12.5%

We see examples of percentages every time we see a store advertising their next sale of 30-70% off, or a bank telling us we can borrow money for 6.25%. Weather forecasts tell us that there will be a 30% chance of rain and land professionals use percentages when they speak of what portion of the production pie someone will receive.

Decimal numbers are just another way of referring to the same percentage number. For instance, the bank could reference the interest on their loans as 0.0625, or the weather forecast could have shown the chance of rain as 0.30.

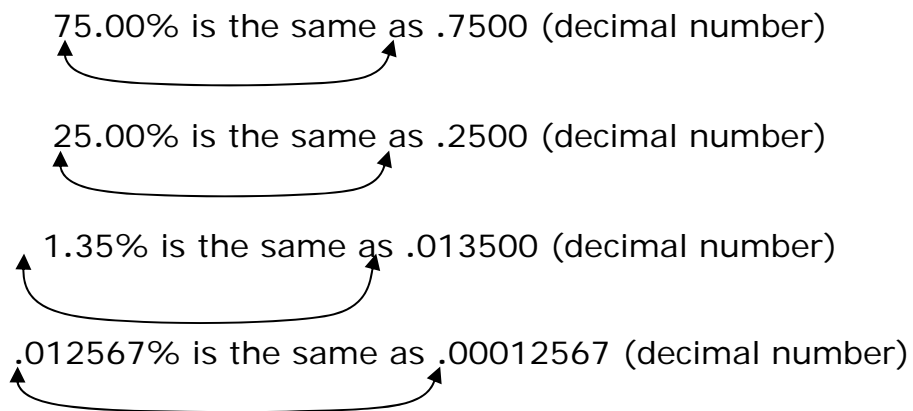
Land professionals use decimals for a couple of reasons. First, owners often possess very small fractionalized pieces of the production pie. In order to accurately calculate this interest one will normally calculate to the 8th decimal place (0.00000075).

Secondly, when calculating the interests of owners as shown in the previous problems, multiplying by a decimal number becomes much easier than multiplying by a percent.

For instance, in problem 4, Farmer Brown owned 100% of 160-acres. Investor #1 bought 75% of the mineral estate. In order to more easily calculate Investor #1's interest, the land professional would multiply the 160 gross acres by the decimal number or 0.75 ($160 \times 0.75 = 120$ net mineral acres). If we would have used 75 instead of the decimal number, our answer would have been incorrect ($160 \times 75 = 12,000$).

We could have used 75%. In order to do that; however, the percent must be changed into a fraction or $75/100$. This method would have given us the correct answer but an additional step would have been necessary to arrive at the answer ($160 \times 75 / 100 = 120$ net mineral acres).

The easiest way to multiply when you have a percent is to *move the decimal point 2 places to the left*. For example:



The following is a chart of common values used in oil and gas:

Royalty & Net Revenue Interests

<u>Royalty</u>	<u>Percent</u>	<u>NRI %</u>	<u>Decimal</u>
1/7	14.285700%	85.714300%	0.85714300
1/8	12.500000%	87.500000%	0.87500000
5/32	15.625000%	84.375000%	0.84375000
1/6	16.666666%	83.333334%	0.83333334
3/16	18.750000%	81.250000%	0.81250000
1/5	20.000000%	80.000000%	0.80000000
7/32	21.875000%	78.125000%	0.78125000
1/4	25.000000%	75.000000%	0.75000000

One of the tasks of the land professional is to determine, through an examination of records, who owns interests in a given tract of land. Upon completion of the search, what is called an *Ownership Report* is submitted to the oil and gas company. This report sets out the fractional interest of each undivided mineral owner in the acreage under examination. It is from this report that mineral owners are contacted and asked to negotiate an oil and gas lease. Can you track the ownership chain and determine how many net mineral acres each of the individuals own?

Harriet Smith _____ Sandy Perkins _____ Robert Perkins _____

1. Harriet Smith owned 160 acres in fee simple.



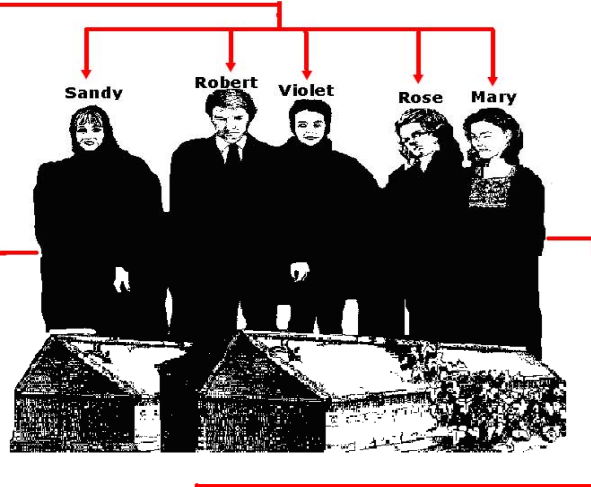
Harriet Smith

2. In 1971, Harriet Smith sold to Matt and Ruth Perkins an undivided 50% mineral interest in and to all of the oil, gas and other minerals in and under said land.



Matt & Ruth Perkins

3. When Matt and Ruth Perkins died in 1992 their five children, Sandy Perkins, Robert Perkins, Violet Perkins, Rose Perkins, and Mary Perkins inherited their parent's interest in the 160 acres, share and share alike.

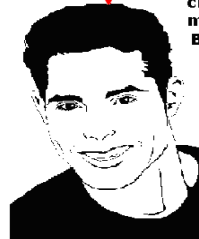


4. In 1999 Sandy Perkins quit claimed an undivided 50% of her mineral interest to her daughter, Alice Perkins.



Alice Perkins

In 2001 Mary Perkins quit claimed an undivided 75% of her mineral interest to her son, Brian Perkins.

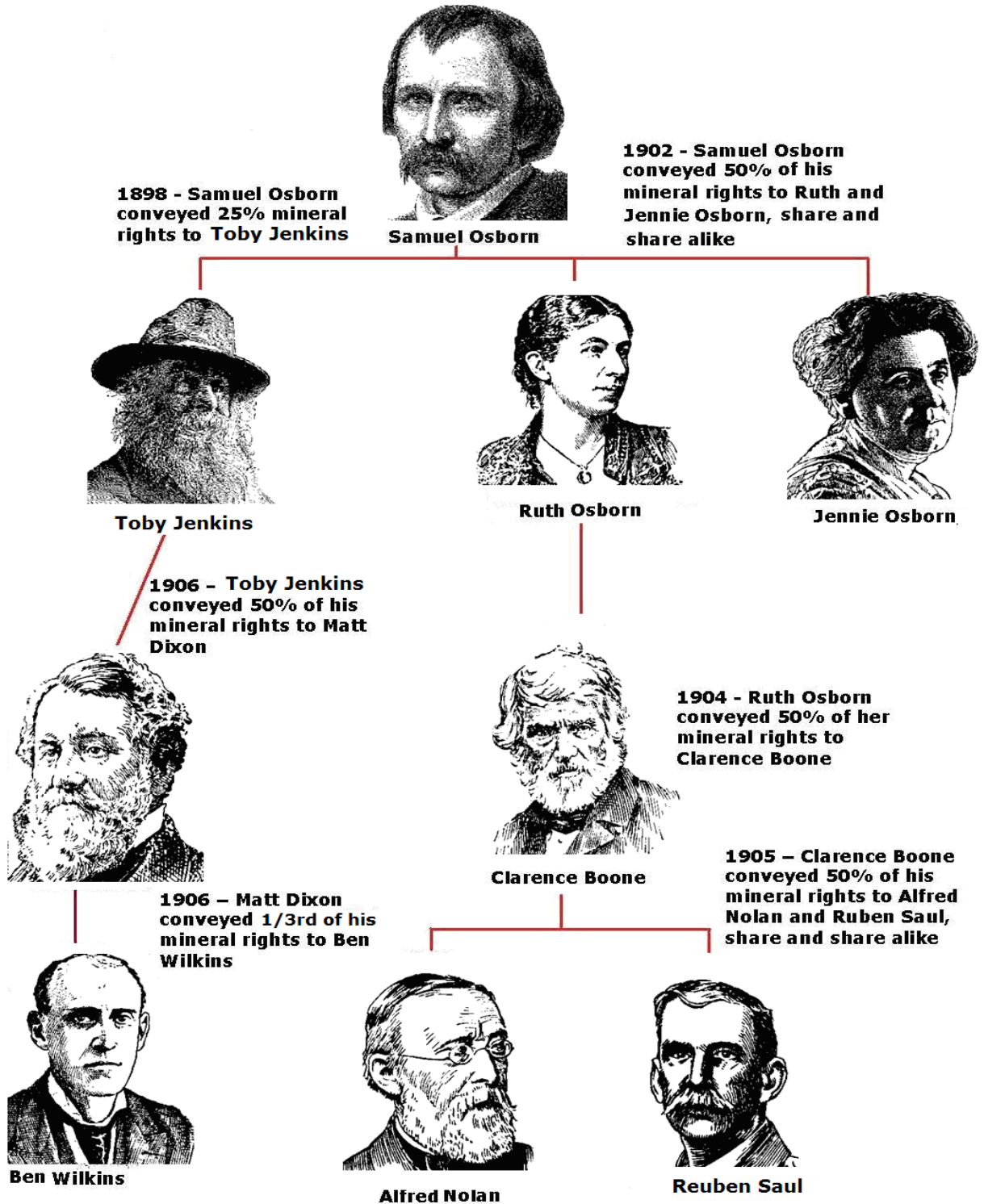


Brian Perkins

Violet Perkins _____ Rose Perkins _____ Mary Perkins _____
 Alice Perkins _____ Brian Perkins _____

Answer:
 Harriet Smith – 80 net mineral acres; Sandy Perkins – 8 net mineral acres;
 Robert Perkins – 16 net mineral acres; Violet Perkins – 16 net mineral acres;
 Rose Perkins – 16 net mineral acres; Mary Perkins – 4 net mineral acres;
 Alice Perkins – 8 net mineral acres; Brian Perkins – 12 net mineral acres.

Follow the ownership chain in this 160 acre tract of land. Pay close attention to the dates and the wording in each conveyance. Determine how many net mineral acres each of the individuals own. Fill out the ownership report on the following page.



OWNERSHIP REPORT

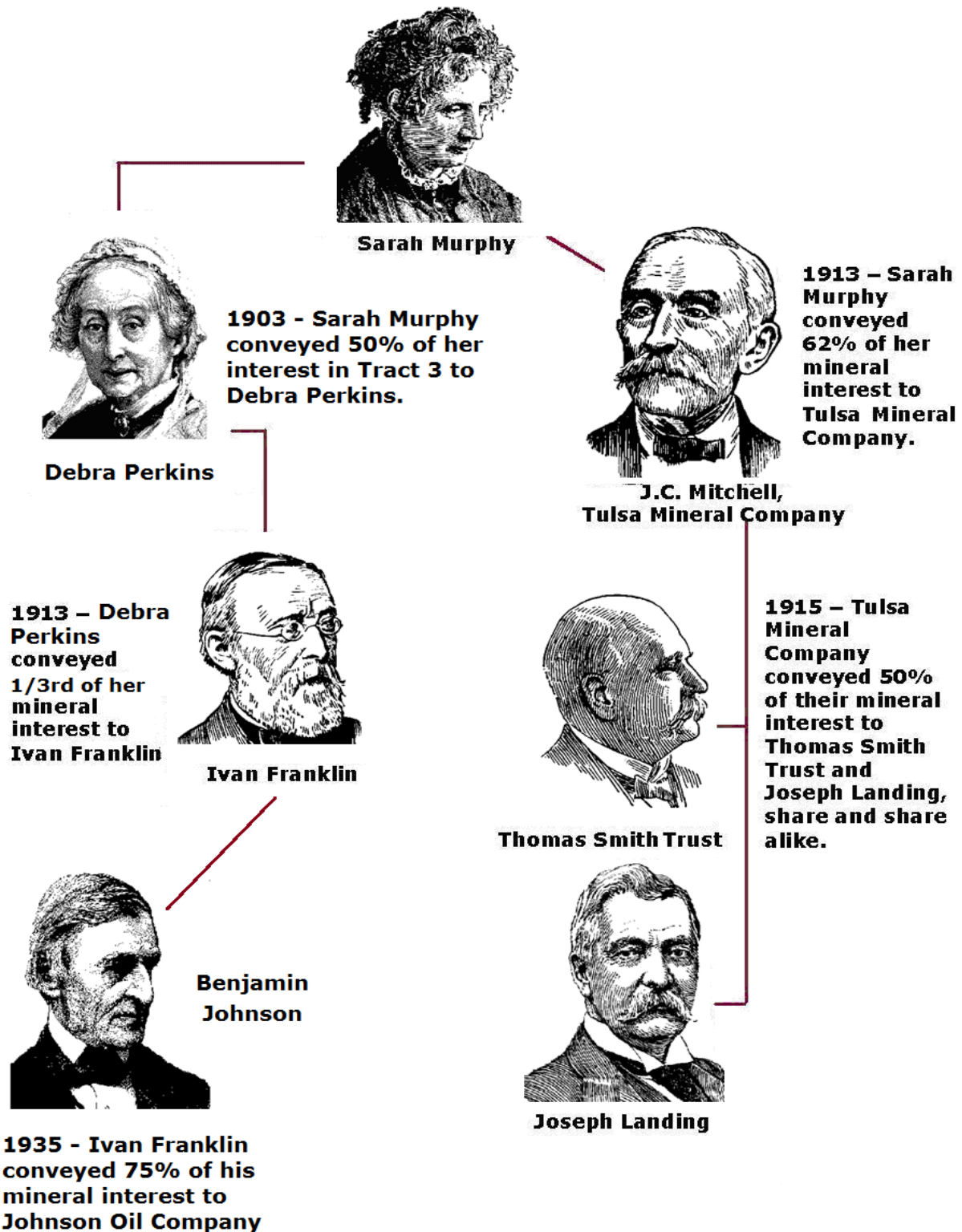
Legal Description

Section **15**, Township **123 North**, Range **77 West**
Millard COUNTY ND, **160** acres more or less

Name of Mineral Owner	Percent of Tract	Net Acres
Samuel Osborn		
Ruth Osborn		
Jennie Osborn		
Clarence Boone		
Alfred Nolan		
Rueben Saul		
Toby Jenkins		
Matt Dixon		
Ben Wilkins		
Total		

Total	1.000000	160.000000
Rueben	.0234375	3.75
Alfred	.0234375	3.75
Clarence	.046875	7.5
Jennie	.09375	15
Ruth	.1875	30
Ben	.04166667	6.666667
Matt	.08333333	13.333333
Toby	.125	20
Samuel	.375	60
Answer:	Percent	Net Acres

Follow the ownership chain in this 160 acre tract of land. Pay close attention to the dates and the wording in each conveyance. Determine how many net mineral acres each of the individuals own. Fill out the ownership report on the following page.



OWNERSHIP REPORT

Legal Description

Section 29, Township 115 North, Range 77 West
Millard COUNTY ND, 160 acres more or less

Name of Mineral Owner	Percent of Tract	Net Acres
Sarah Murphy Debra Perkins Ivan Franklin Johnson Oil Co. Tulsa Mineral Company Thomas Smith Trust Joseph Landing		
Total		

Total	1.000000	160.000000
Joseph	.0775	12.4
Thomas	.0775	12.4
Tulsa	.155	24.8
Johnson	.125	20.0
Ivan	.04166667	6.6666667
Debra	.33333333	53.3333333
Sarah	.19	30.4
Answer:	Percent	Net Acres

Other On-Line Classes

An Introduction to Petroleum Land Management

Choosing a career as an oil and gas landman or land administration professional is a job path that is highly sought by many individuals. These types of jobs can be rewarding both personally and financially, offering an income that can be substantially greater than many other professions that require far more training. This class is excellent for those wishing to examine the subjects and tasks the land professional is called upon to manage, including: land and mineral ownership in the United States, leasing available minerals, land strategies, pooling, unitization, and searching for and drilling for oil and gas.

A Comprehensive Study of the Oil & Gas Lease, Lease Obligations, and Lease Clauses

This class is perhaps the best resource available for those wanting to learn about the management of a company's oil and gas lease assets. It is designed to offer specialized instruction for the landman, land tech., and lease or title analyst as they deal with particular lease and lease related issues.

A Comprehensive Study of Property Ownership and Transferring Title

This course takes an in-depth and thorough look at property ownership, beginning with the origins of ownership in the United States. Other topics include: differing types of property ownership such as real property, personal property, community property, separate property, homestead laws or dower estates; the rules surrounding mineral and royalty ownership including surface, divided, and undivided interests; the rules for conveying property; varying types of conveyances, testate and intestate succession laws; and, the many types of title transfers that result from court actions.

Contracts Used by Petroleum Land Management

Contracts are the heart and soul of the oil and gas industry, which uses a number of unique agreements in order to explore for, develop, produce, and market oil and gas. This course will provide an understanding of contract law and is designed for all oil and gas professionals or those having a desire to work directly or indirectly in land or land administration. Contracts examined will include the Joint Venture Agreement, Area of Mutual Interest Agreement, Seismic Agreements, Surface Agreements, unit operating agreements, unit agreements, the AAPL Joint Operating Agreement, and the Farmout Agreement.

Numbers Tell a Story, Calculating the Division of Interest

This on-line class comes with both a textbook and the Calculating Your Division of Interest Workbook and will be of tremendous value in helping the land professional calculate all types of interests, including net mineral acres, royalty, net revenue, gross working, and overriding royalty interest. Chapters also include Unit calculations, calculating payouts, non-consents, farmouts, and calculating overrides based on farmout language.

Becoming a Great Negotiator

By its very definition, a negotiation is a dialogue between two people intending to resolve disputes or produce an agreed consensus. We negotiate for many reasons. However, we are not born as a great negotiator. Great negotiators learn their craft! The purpose of this course is to reveal practical negotiating tools that, if mastered, can help anybody negotiate through business and the issues of life.

Critical Legal Concepts

Crucial information dealing with a myriad of critical concepts surrounding the land profession and the oil and gas industry are covered in this class. Subject matter covers state specific title issues and statutes that impact how oil and gas interests are interpreted, calculated, and maintained; specific language in conveyances and how each word or the placement of the words impact the conveyance outcome; and state-specific legal concepts surrounding doctrines of oil, gas, royalty, trespass, pooling, types of ownerships, and ownership theories.

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