

The Essentials to Conveying and Chaining Title

Chaining Title

Chaining of Ownership

The following contains an example of how title is chained from one conveyance or deed to the next. The right side of the page contains a "synopsis of important data" retrieved from five conveyance as found in the court house records. The left side of the page shows the "chaining of ownership" from and to each of the owners.

Chaining of ownership can be accomplished using different methods. The purpose is to simply create a clear path of ownership from the first owner of record to the present owner. From time to time, a conveyance may sever mineral rights from the surface owner. When this happens, a special note must be made. As can be seen in the example on the previous page, Beatrice Grant, who owned all surface rights and mineral rights at the time of conveyance, severed an undivided 75% of the minerals from the surface estate. This 75% mineral ownership begins a separate distinct line in the chain of title.

Example of Chaining out Title

Assume that the first few deeds for a certain tract of land were as follows: To the right is an example of chaining out the title. Examining dates and reservations becomes critical

Section 10
Township 3 North, Range 5 West of the 2nd P.M.

PATENT

Grantor: United States of America
Grantee: Jeremaih Jones

Dated: 05-12-1889
Filed: 08-01-1890
Book: Bk-19, Pg 21

Conveys: Township 3 North, Range 5 West of the 2nd P.M.
Section 10: All, Eddy County, New Mexico
Containing 640 acres
Pursuant to the Act of Congress approved 20th May, 1882

Reservations: Ditches and canals....

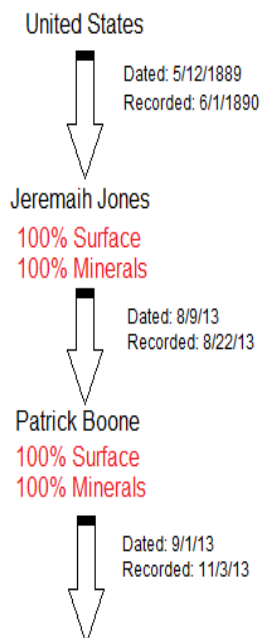
WARRANTY DEED

Grantor: Jeremaih Jones
Grantee: Patrick Boone

Dated: 08-09-1913
Filed: 08-22-1913
Book: Bk-21, Pg 305

WARRANTS, COVENANTS AND CONVEYS:
Township 3 North, Range 5 West of the 2nd P.M.
Section 10: All, Eddy County, New Mexico

Reservations: None



WARRANTY DEED

Grantor: Patrick Boone
Grantee: Arthur Grant

Dated: 09-01-1913
Filed: 11-03-1913
Book: Bk-21, Pg 485

WARRANTS, COVENANTS AND CONVEYS:
Township 3 North, Range 5 West of the 2nd P.M.
Section 10: All
Section 11: All
Section 12: All, Eddy County, New Mexico

Reservations: NONE

WARRANTY DEED

Grantor: Arthur Grant
Grantee: Beatrice Grant

Dated: 09-09-1913
Filed: 11-04-1913
Book: Bk-21, Pg 486

WARRANTS, COVENANTS AND CONVEYS:
Township 3 North, Range 5 West of the 2nd P.M.
Section 10, 11, 12, 13, 14, 15: All, Eddy County, New Mexico

Reservations: None

WARRANTY DEED

Grantor: Beatrice Grant, a widow
Grantee: Bruce Smyth & Mary Smyth, Joint Tenants with the Right of Survivorship

Dated: 01-05-1914
Filed: 02-10-1914
Book: Bk-22, Pg 08

WARRANTS, COVENANTS AND CONVEYS:
Township 3 North, Range 5 West of the 2nd P.M.
Section 10, 11, 12, 13, 14, 15: All, Eddy County, New Mexico

Reservations: Reserving however to Beatrice Grant, a widow, subject to previous reservations of record, an undivided seventy-five percent (75%) interest in and to all of the oil, gas and other minerals in and under and that may be produced from the above described lands located in Eddy County, New Mexico.

Mineral Deed

Grantor: Beatrice Grant, a widow
Grantee: Thomas Burke

Dated: 06-15-1935
Filed: 07-17-1935
Book: Bk-85, Pg 333

Conveys: an undivided 37.5% interest in and to the oil, gas...and all other minerals known or unknown, under and that may be produced from the following described lands
Township 3 North, Range 5 West of the 2nd P.M.
Section 10, 11, 12, 13, 14, 15: All, Eddy County, New Mexico

WARRANTY DEED

Grantor: Bruce Smyth & Mary Smyth, Joint Tenants with the Right of Survivorship
Grantee: Mary Lou Saunders

Dated: 09-09-1936
Filed: 10-10-1936
Book: Bk-83, Pg 735

WARRANTS, COVENANTS AND CONVEYS:
Township 3 North, Range 5 West of the 2nd P.M.
Section 10, 11, 12, 13, 14, 15: All, Eddy County, New Mexico

Reservations: None

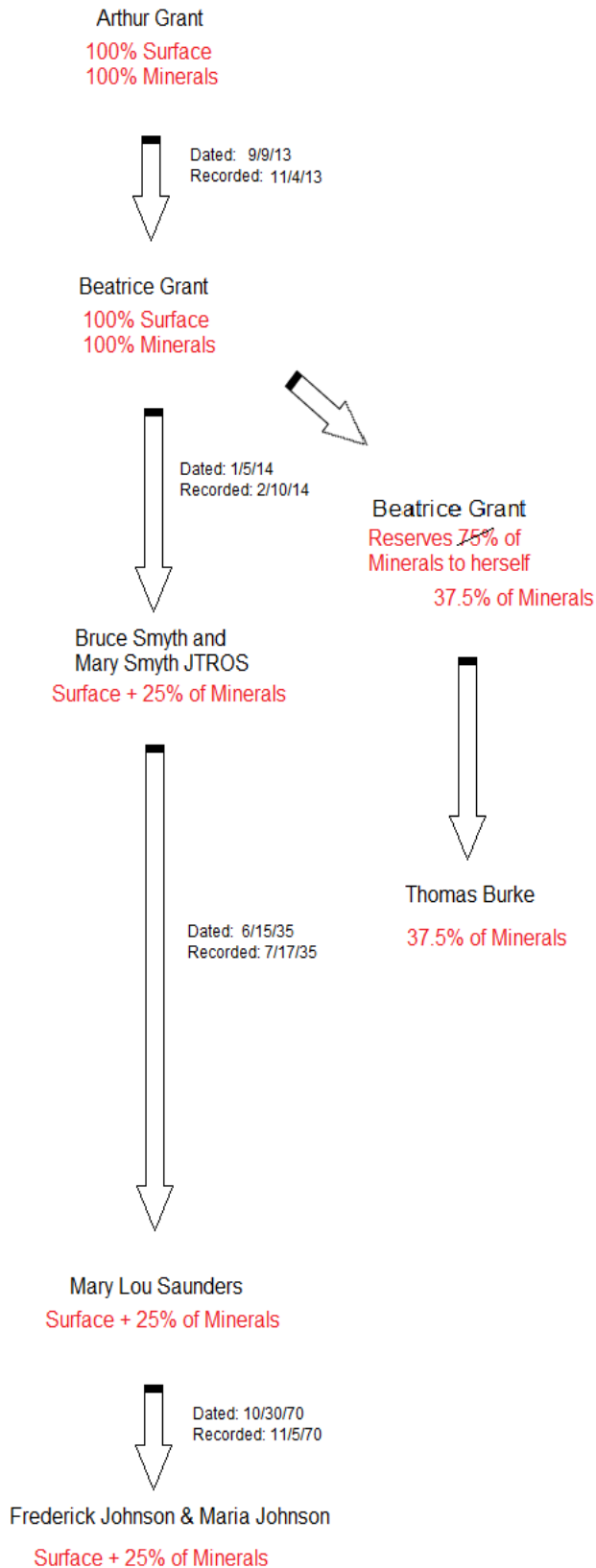
WARRANTY DEED

Grantor: Mary Lou Saunders
Grantee: Frederick Johnson and Maria Johnson

Dated: 10-30-1970
Filed: 11-05-1970
Book: Bk-222, Pg 89

WARRANTS, COVENANTS AND CONVEYS:
Township 3 North, Range 5 West of the 2nd P.M.
Section 10, 11, 12, 13, 14, 15: All, Eddy County, New Mexico

Reservations: None



The following 27 instruments represent a link in the chain of title beginning with the United States government. Follow the chain from instrument to instrument so that current ownership of the surface, minerals and royalties can be determined. Guidelines and helps are offered along the way. Once you have determined all ownership including surface, mineral and royalty, fill out the ownership report found at the end of this chain of title.

<u>Type of Instrument</u>	<u>Issue Discussed</u>
1. Records of Patent	Original Grants
2. Indenture	Indenture
3. Warranty Deed	General vs Special
4. Judgment of Court	Eminent Domain/ROW
5. Warranty Deed	
6. Deed of Trust	Deed of Trust
7. Deed of Release	Release of Deed of Trust
8. Warranty Deed	
9. Cert. of Death & Heirship	Intestate Succession
10. Warranty Deed	3 rd Party Reservation/JTROS
11. Homestead Designation	Homestead Rights
12. Power of Attorney	Powers of Attorney
13. Final Decree	Final Decree
14. Personal Rep. Deed	Personal Rep. Deed
15. Warranty Deed	Calculating Interests
16. Personal Rep. Deed	Calculating Interests
17. Certificate of Death	
18. Warranty Deed w Reservation	Duhig Rule
19. Mineral Deed	Mineral Deed
20. Quit Claim Deed	Quit Claim Deed
21. Quit Claim Deed	"Land Described" language
22. Royalty Deed	Royalty v Minerals & "Out of"
23. Term Mineral Deed	Term Mineral Conveyances
24. Oil and Gas and Mineral Lease	Unreleased Oil and Gas Lease
25. Oil and Gas and Mineral Lease	Unreleased Oil and Gas Lease
26. Notice of Lis Pendens	Lis Pendens
27. Final Judgment	Judgment of Court

#1

The United States of America,
To all to whom their presents shall come, Greeting:

Homestead Certificate No. 919
Application 1714.

WHEREAS, There has been deposited in the GENERAL LAND OFFICE of the United States a Certificate of the Register of the Land Office, whereby it appears that, pursuant to the Act of Congress 20th May, 1862, "To secure Homesteads to Actual Settlers on the Public Domain," and the acts supplemental thereto, the claim of

Abraham L. Kuykendall

Has been established and duly consummated, in conformity to law, for the

NORTHEAST QUARTER OF SECTION EIGHT IN TOWNSHIP ONE HUNDRED AND TWENTY-NINE NORTH OF RANGE ONE HUNDRED THREE WEST OF THE FIFTH PRINCIPLE MERIDIAN, OKLAHOMA, CONTAINING ONE HUNDRED SIXTY ACRES. BEAVER COUNTY, OKLAHOMA

According to the official Plat of the Survey of the said Land, returned to the GENERAL LAND OFFICE by the Surveyor General:

NOW KNOW YE: that there is, therefore, granted by the UNITED STATES unto the said

Abraham L. Kuykendall

The tract of Land above described: TO HAVE AND TO HOLD the said tract of Land, together with the appurtenances, rights privileges of whatever nature, belonging to said claimant forever, subject to any vested and accrued water rights for mining, agriculture, manufacturing, or other purposes and rights to ditches and canals constructed by the authority of the UNITED STATES; reserving however, to the UNITED STATES all coal in the lands so granted.

IN TESTIMONY WHEREOF, I, **ULYSSES S. GRANT**, President of the United States of America, have caused these letters to be made Paten, and the seal of the General Land Office to be hereunto affixed.

(SEAL)

GIVEN under my hand, at the City of Washington, the Twenty-seventh day of May, in the year of our Lord one thousand eight hundred and ninety.

FILED FOR RECORD, *this 28th day of May, 1890, at 8:30 O'Clock A.M. and recorded, at 10:55 O'Clock A.M.*

#2

Book 19, Page 189

THIS INDENTURE, *Made the 18th day of November, 1895, Between Abraham L. Kuykendall of Beaver County, State of Oklahoma, of the first part and Vienna Franks of Beaver County, State of Oklahoma of the second part.*

WITNESSETH, *That the said party of the first part, for and in consideration of the sum of Fifty Dollars in hand paid, by the said party of the second part, the receipt whereof is hereby confessed and acknowledged, has given, granted, bargained, sold and remised, conveyed and confirmed, and by these presents do give, grant, bargain, sell, remise, release, confirm unto the said party of the second part the following described tract of land being a part of the lands so described and conveyed in the Record of Patents, Patent no. 919 to-wit:*

NORTHEAST QUARTER OF SECTION EIGHT IN TOWNSHIP ONE HUNDRED AND TWENTY-NINE NORTH OF RANGE ONE HUNDRED THREE WEST OF THE FIFTH PRINCIPLE MERIDIAN, OKLAHOMA, CONTAINING ONE HUNDRED SIXTY ACRES. BEAVER COUNTY, OKLAHOMA

PARTY OF THE FIRST PART DOES HERBY COVENANT *with said party of the second party that they are lawfully seized of the said premises; that they are free from all encumbrances; that they have good right and lawful authority to sell the same; and that they shall Warrant and Defend the title to said premises against the lawful claims of all persons whomever.*

Dated this 18th day of November, 1895.

Abraham L. Kuykendall

(Seal)

FILED FOR RECORD, this 1st day of May, 1896, at 8:30 O'clock A.M. and recorded, this 1st day of May, 1896 at 8:55 O'clock A.m.

An Indenture is merely a deed. Normally, real property transactions involve the sale of real property under contract and are usually consummated by the delivery of an indenture or deed. An indenture is a written instrument used to convey an interest in real property; thus an indenture or deed conveys legal title. This transfer may be voluntary or involuntary. Voluntary means that the transfer was made with the owner's control and consent (deed, conveyance, last will and testament). Examples of involuntary transfer are those done by descent, escheat, adverse possession or eminent domain.

#3

WARRANTY DEED

Know all men by these presents:

That Vienna Franks, party of the first part, in consideration of one or more Dollars (\$1.00) cash in hand aid do grant, bargain, sell, convey and confirm unto Nathan K. Abbot party of the second party the following described real estate situated in Beaver County, Oklahoma, to wit:

NORTHEAST QUARTER OF SECTION EIGHT IN TOWNSHIP ONE HUNDRED AND TWENTY-NINE NORTH OF RANGE ONE HUNDRED THREE WEST OF THE FIFTH PRINCIPLE MERIDIAN, OKLAHOMA, CONTAINING ONE HUNDRED SIXTY ACRES. BEAVER COUNTY, OKLAHOMA

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.

Dated this 12th day of July, 1906.

Vienna Franks

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Vienna Franks, 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 12th day July, 1906 A.D.

Terry Marshall, Notary Public, in and for
Beaver County, Oklahoma.

(SEAL)

FILED FOR RECORD, this 12th day of October, 1906 , at 8:30 O’Clock A.M. and recorded, this 12th day of October, 1906 at 8:55 O’Clock A.M.

General Warranty Deed is a type of deed where the grantor guarantees that they hold clear title to a piece of real estate and have a right to sell it. The guarantee is not limited to the time the grantor owned the property but extends back to the property's origins.

Important portions of a general warranty deed include,

- The grantor promises there are no hidden liens or encumbrances on the property. In other words, there are no debts or holds other than those that are obvious in public records.
- The grantor promises they are the owner of the property and have a right to sell it.
- The grantor guarantees that if the title ever fails they will either defend title or compensate for any losses. But remember you can't sue the dead.

Special Warranty Deed is similar to a general warranty deed except it limits the guarantees made by the grantor. This type of deed offers guarantees only against defects that might arise from the time period in which the grantor owned the property and not against any issues that existed before that time.

EXAMPLE OF DIFFERENT LANGUAGE:

#1 Assume the warranty language in the previous deed said this:

"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 and will Specially Warrant and Defend the same to the Grantee against the lawful claims and demands of all persons claiming under and through me."

#4

CERTIFIED COPY OF JUDGMENT:

FILE NO. 48306

PARCEL 17

STATE OF OKLAHOMA, ET AL

VS.

NATHAN K. ABBOT

JUDGMENT OF COURT IN ABSENCE OF OBJECTION

BE IT REMEMBERED:

That on this date there came to be heard and considered the Award of the Special Commissioners filed on May 12, 1907 with the Judge of said Court aforesaid under the above styled and numbered Proceedings in Eminent Domain, in which the State of Oklahoma and the County of Beaver are Plaintiffs, and the following are defendants(s): Nathan K. Abbot and wife, Jewel Abbott.

It appears to the Court, and it is so found, that no objections to said Award were filed within the time prescribed by law and that said Award has been filed with the Clerk of this Court.

It is, therefore, ORDERED, ADJUGED AND DECREED by the Court as follows:

1. That said Award of said Special Commissioners is, and the same is hereby, made the judgment of this Court.
2. That by virtue of said Award, the State of Oklahoma and the County of Beaver are entitled to condemn, and do hereby have judgment against the above named defendant(s) for a nonpossessory easement in the following described property situated in Beaver County, Oklahoma for water access to Kuykendall creek:

Being a 2.5 acre tract of land, more or less, out of a part of Section 8, Township 129 North, Range 103 West of the 5th P.M. described as follows: SE/4SE/4SE/4NE/4.

RENDERED and ordered and entered of record, this the 18th day of October, 1907

STATE OF OKLAHOMA }
COUNTY OF BEAVER }

I Lorraine White, Clerk of the District Court of Beaver County, Oklahoma, do hereby certify that the foregoing is a true and correct copy of the official Judgment of the Court in Absence of Objections now on file in my office. Given under my hand and official seal, this 18th day October, 1907 A.D.

Lorraine White, Clerk of District Court
Beaver County, Oklahoma

FILED FOR RECORD, this 18th day of October, 1907, at 8:30 O'clock A.M. and recorded, this 18th day of October, 1907 at 8:55 O'clock A.M.

Eminent Domain

The United States, states and lessor government bodies have reserved the right to maintain an inherent power over all property without the owner's consent. This power is most often appropriated over property deemed for "public use" such as lands for roads, highways, rights of way, easements, telephone, power, water, or gas lines. Lands also have been taken in order to build parks, schools or government buildings, all under the definition of public use. At times, entire neighborhoods have been condemned (deemed "blighted") and taken in order to redevelop the area for public good.

Involuntary Transfer, Easements and ROW

An Easement is a nonpossessory interest in another's land that entitles the holder to the right to use such land in the specified manner. The easement was normally for the benefit of adjoining lands, no matter who the owner was (an easement appurtenant), rather than for the benefit of a specific individual (easement in gross). A **nonpossessory interest in land** is a term that describes a type of right held by one person to use land that is in the possession of another. Such rights can generally be created in one of two ways: either by an express agreement between the party who owns the land and the party who seeks to own the interest; or by an order of a court.

Common examples of easements include the right of a property owner who has no street front, to use a particular segment of a neighbor's land to gain access to the road, as well as, the right of a Municipal corporation to run a sewer line across a strip of an owner's land, which is frequently called a right of way.

Easements can be conveyed from one individual to another by will, deed, or contract, but must be in writing and can be inherited pursuant to the laws of Descent and Distribution.

Easements are distinguishable from a **profit-a'-prendre** that is the right to enter another's land and remove the soil itself or a product, such as crops or timber or oil and gas.

WARRANTY DEED

Know all men by these presents:

That **Nathan K. Abbot and Jewel Abbot, husband and wife** party of the first part, in consideration of one or more Dollars (\$1.00) cash in hand aid do grant, bargain, sell, convey and confirm unto **Bernard L. Harrison** of the second party the following described real estate situated in Beaver, Oklahoma, to wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

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.

Dated this 2nd day of February, 1908.

Nathan K. Abbot

Jewel Abbot

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Nathan K. Abbot, 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 22nd day of February A.D. 1908.

Frank Hendrix, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 23rd day of February, 1908, at 8:30 O'clock A.M. and recorded, this 23rd day of February, 1908 at 10:55 O'clock A.M.

#6

DEED OF TRUST

State of Oklahoma, } Know all Men by these Presents,
County of Beaver }

That We, Bernard L. Harrison, and wife Mattie Harrison of the County of Beaver State of Oklahoma, in consideration of the debt and trust hereinafter created, do hereby Grand, Sell and Convey unto Sherman Bonner of Dallas County, Oklahoma as Trustee, and to his successors in this trust, forever, all of the following described real estate situated in County of Beaver State of Oklahoma, to-wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

Whereas, Bernard L. Harrison is indebted to in the sum of \$97.70, evidenced by one promissory note, bearing even date herewith, payable in six installments, as follows, to-wit:

\$12.70 on January 1st, 1909 \$19.00 on January 1st, 1910
\$18.00 on January 1st, 1911 \$16.00 on January 1st, 1912
\$16.00 on January 1st, 1913 \$16.00 on January 1st, 1914

Now, if said indebtedness shall be paid when due, and all the conditions and agreements herein faithfully performed, then this instrument shall be null and void, and shall be released. But if said money, or any installment thereof, is not paid when same become due, then the whole sum of money hereby secured shall become due and payable at the option of the holder thereof without notices, and the said trustee may proceed to sell the property herein described at public action, to the highest bidder, at the front door of the Court House in the County of Beaver, State of Oklahoma.

Witness our hands this 1st day of June, 1909. Bernard L. Harrison
Mattie Harrison

STATE OF OKLAHOMA }
COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Bernard L. Harrison and Mattie Harrison, his wife, 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 1st day June, 1909 A.D. Terry Marshall,
Notary Public, in and for Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 12th day of July, 1909, at 8:30 O'clock A.M. and recorded, this 12th day of July, 1909 at 4:35 O'clock P.M.

Deed of Trust

A deed of trust is an agreement between a lender and a borrower whereby the borrower agrees to transfer an interest in property to a neutral third party, a trustee, in order to secure the payment of a debt by the borrower. A deed of trust involves a trustee or one who has been appointed to act on behalf of a lender. Usually this trustee is a title insurance company or public trustee in rural areas.

A deed of trust can also be called a trust deed or a Potomac Mortgage which is used in some states in place of a mortgage. Although a deed of trust serves the same purpose as a type of security, it is different from a mortgage in that a deed of trust is an arrangement between three parties (the borrower, the lender, and the trustee.) In exchange for a loan from the lender, the borrower places legal title to the property in the hands of the trustee.

When Bernard L. Harrison borrowed a sum of money on the land, he entered into a deed of trust with a certain trust company. In doing this, he, in essence, gave the trustee title or ownership to the land. He still has the rights of occupation to the land and the rights to the use of the land, but the trustee holds the original deed to the property until the loan is paid in full. The trustee also possesses the power to foreclose on the land without first taking Harrison to court.

When a mortgage agreement or Deed of Trust has been paid off and is no longer an encumbrance on a property, a Release of Deed of Trust or Release of Mortgage is required to verify that the mortgagor has met all obligations of the mortgage.

When running a chain of title, older unreleased mortgages and Deeds of Trust are often found. Although rules vary from state to state, generally, if an unreleased mortgage or Deed of Trust has been of record for more than ten years past a specific and designated maturity date, the mortgage may be ignored. If such a specific maturity date is not found, the mortgage or Deed of Trust may be ignored if it has been of record for more than thirty years past its recording date. A mortgage secured from a federal agency becomes a lien that lasts for a set number of years with the possibility of an extension of additional years.

#7

DEED OF RELEASE
(Full)

THIS DEED OF RELEASE, WITNESSETH, that whereas Bernard L. Harrison, and wife Mattie Harrison of the County of Beaver, State of Oklahoma, entered into a Deed of Trust with Sherman Bonner of Dallas County, Oklahoma as Trustee, dated June 1, 1909 and recorded July 12, 1909 in Book 15, Page 555 of the Office of the Recorder of Deeds, Beaver County, State of Oklahoma, in consideration of full payment of the indebtedness and full satisfaction of the said Deed of Trust, do hereby release from the lien and effect of the same, the following property in Beaver County, Oklahoma;

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

Witness our hands this 1st day of June, 1913. Sherman Bonner, Trustee

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Sherman Bonner, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed. Given under my hand and official seal, this 1st day June, 1913 A.D. Susan Kellogg, Notary Public, in and for Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 12th day of July, 1913, at 8:30 O'clock A.M. and recorded, this 12th day of July, 1913 at 4:35 O'clock P.M.

WARRANTY DEED

Know all men by these presents:

That **Bernard L. Harrison**, party of the first part, in consideration of one or more Dollars (\$1.00) cash in hand aid do grant, bargain, sell, convey and confirm unto **Arthur G. Grant** party of the second party the following described real estate situated in Beaver, Oklahoma, to wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

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.

Dated this 24th day of July, 1913.

Bernard L. Harrison

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Bernard L. Harrison, 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 24th day of July A.D. 1913.

James McGregor, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 3rd day of November, 1913, at 8:30 O’Clock A.M. and recorded, this 3rd day of November, 1913 at 12:55 O’Clock A.M.

#9

STATE OF OKLAHOMA
DIVISION OF VITAL RECORDS
CERTIFICATE OF DEATH

DECEDENT'S NAME ARTHUR C. GRANT SEX MALE
 DATE OF DEATH DECEMBER 29, 1913 AGE 55
 BIRTHPLACE TOMBALL, OKLAHOMA
 LOCATION OF DEATH MINOT, OKLAHOMA
 MARITAL STATUS MARRIED RACE WHITE
 OCCUPATION TEACHER
 MOTHER'S NAME VIOLET GARDNER
 MOTHER'S RESIDENCE DECEASED
 FATHER'S NAME TOM GARDNER
 FATHER'S RESIDENCE DECEASED
 CAUSE OF DEATH SUFFOCATION
 DATE OF RECORD MARCH 25, 1914
 REGISTRAR Lynnette Vale

The abbreviation NR, for Not Recorded indicates that the information was not recorded in the ledger.

I hereby certify that the above is a true and correct reproduction of certificate of file in the Oklahoma Division of Vital Records

Certified by:

Jeffrey Smee
State Registrar

AFFIDAVIT OF DEATH AND HEIRSHIP
Arthur C. Grant, (Decedent)

STATE OF COUNTY Oklahoma
COUNTY OF Beaver

Christine Whiles whose address is 555 W. 5th Ave. hereinafter referred to "Affiant" being of lawful age and being duly sworn, upon oath deposes and says that (s)he was well acquainted with Arthur C. Grant, hereinafter referred to as "the Decedent," and that the answers and statements given in the following questionnaire are based upon Affiant's personal knowledge and are true and correct:

- 1) How long did you know the Decedent? 45 years
- 2) How well did you know the Decedent? Very well
- 3) What was your relationship to the Decedent? Friend
- 4) The Decedent's home was at 123 W. Main St Minot, Oklahoma
- 5) The Decedent died at the age of 55

- 6) Did the Decedent leave a will? No.
- 7) Was there any time during the Decedent's life when the Decedent was not of sound mind, and if so, when? No.
- 8) Have proceedings been commenced with respect to the decedent's estate? No.
- 9) At the time of death was the Decedent single _____, married Yes, divorced, _____ a widow or widower_____?
- 10) If married, what was the Decedent's surviving husband's or wife's name? Beatrice Grant.
- 11) If the Decedent was married at the time of death, what is the surviving husband's or wife's present address 123 W. Main St Minot, Oklahoma?
- 12) How many times was the Decedent married? 1. If the Decedent was married more than once, complete the following table:
- 13) What was the total number of Decedent's children, both natural and adopted? 0.
- 14) Complete the following table with respect to all children of the Decedent, whether living or dead, natural or adopted:

<u>Name of Child</u>	<u>Date of Birth</u>	<u>Child's other Parent</u>	<u>Address or Date of Death</u>
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NONE

- 16) If the Decedent was not survived by any children or grandchildren, then give below the names and addresses of the Decedent's father, mother, and all brothers and sisters; All Deceased.
- 17) If the Decedent was not survived by any children, grandchildren, father, mother, brothers or sisters, then give below the names and addresses of the nearest surviving relatives: Beatrice Grant, widow, Minot, Oklahoma

Dated this 9th day of February, 1914.

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Christine Whiles, known to me to be the persons whose names are subscribed to the foregoing instrument, and sworn to me that they executed the same and the information is true for the purposes and consideration therein expressed.

Given under my hand and official seal, this 9th day of February, 1914 A.D.

Juliet Norris, Notary Public, in and for Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 4th day of March, 1914 , at 8:30 O'Clock A.M. and recorded, this 4th day of March, 1914 at 10:58 O'Clock A.M.

Oklahoma Intestate Succession before 7/1/1985

Survivors

Division of the Estate

Spouse with only one child or lawful issue of child	In equal shares to the surviving spouse and child, or issue of such child.
Spouse with more than one child or lawful issue of one or more deceased children	One-third (1/3) to the surviving spouse, and the remainder in equal shares to his children, and to the lawful issue of any deceased child.
If the decedent shall have been married more than once	The spouse at the time of death shall inherit of the property not acquired during coverture with such spouse only an equal part with each of the living children of decedent.
If the decedent leave no surviving husband or wife, but leaves issue	The whole of the estate goes to the issue in equal shares.
If the decedent leaves a surviving spouse with no children	The estate goes one-half (1/2) to the surviving spouse, and the remaining one-half (1/2) to the decedent's father or mother in equal shares. If there is no father or mother then to the siblings or their descendants. If any of the said property remain, one-half (1/2) of such property shall go to the heirs of the husband and one-half (1/2) to the heirs of the wife, according to the right of representation.
All property acquired by the joint industry of husband and wife during coverture, and there are no children	All to surviving spouse.

Use of Affidavit of Death and Heirship

Generally, when an affidavit of death and heirship can be obtained and filed of record, it is not given any statutory protection or presumption of accuracy. Often the estate of a severed mineral owner is not probated due to the cost and low value of the minerals involved and an affidavit of death and heirship is used. In most states, it is not given any statutory protection and does render the title unmarketable.

#10

WARRANTY DEED

Know all men by these presents:

That Beatrice Grant, a widower party of the fist part, in consideration of one or more Dollars (\$1.00) cash in hand aid do grant, bargain, sell, convey and confirm unto Bruce Smyth & Mary Smyth, Joint Tenants with the Rights of Survivorship, party of the second party the following described real estate situated in Beaver, Oklahoma, to wit: Reserving however to Beatrice Grant, a widower and Bernard Thompson an undivided seventy-five percent (75%) interest in and to all of the oil, gas and other minerals in and under and that may be produced from the following described lands together with the right of ingress and egress at all times for the purpose of mining, drilling, exploring, operating, and developing said lands for oil, gas and other minerals and storing, handling, transporting and marketing the same therefrom.

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

I do herby 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.

Dated this 5th day of January, 1920.

Beatrice Grant

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Beatrice Grant, 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 5th day of January, 1920 A.D.

Kathleen Tommey, Notary Public, in and for Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 10th day of February, 1920, at 8:30 O'clock A.M. and recorded, this 10th day of February, 1920 at 3:15 O'clock P.M.

Three Types of Ownership

Tenancy in Common is the most common type of joint ownership in real property in the United States. Unless stated otherwise, a *Tenancy in Common* would occur when two or more parties receive title to a piece of property.

Tenancy by the Entirety is a type of ownership between husband and wife whereby the property is co-owned by the two while they are married. This was based on an Old Common Law view that saw both husband and wife as one person for purposes of owning property. As such, neither can separately sell, lease, mortgage nor place a lien against the property. **Oklahoma** is one of the states that recognize *Tenancy by the Entirety*.

Joint Tenants with the Rights of Survivorship - Taking title to a piece of property as *Joint Tenants with the Rights of Survivorship* is very different from taking title as *Tenants in Common* or *Tenants by the Entirety*. With this type of shared ownership of property, each owner has an undivided interest in the property. This type of ownership creates a right of survivorship, which means that when one owner dies, the other owners absorb the deceased owner's interest.

Third Party Reservation Rule

In the Warranty Deed, Beatrice Grant deeded the property to Bruce Smyth & Mary Smyth, Joint Tenants with the Rights of Survivorship and reserved 75% of the mineral rights to herself and Bernard Thompson. It is clear that the intent is to reserve an equal share of royalties between Beatrice and Bernard; however, the tract of land was Beatrice's sole and separate property. None of the property belonged to Bernard and he would be considered a stranger in title or a third party to the reservation; therefore, none of the royalty can transfer to Bernard. Beatrice would own all of the royalty reserved and the only way Bernard could come into title would be through a specific grant from its owner.

According to Black's Law Dictionary 1309 (7th ed. 1999), words of "reservation" are not deemed to be words of "grant." Therefore, most states would not consider the third party or a stranger in title interest to be valid.

In **Oklahoma**, "a reservation or exception in favor of a stranger to a conveyance is void or inoperative." Howard H. Harris, *Reservations in Favor of Strangers to the Title*, 6 Okla.L.Rev. 127 (1953).

#11

HOMESTEAD DESIGNATION: FILE NO. 25082

THE STATE OF OKLAHOMA }

COUNTY OF BEAVER }

BE IT REMEMBERED That we, **Bruce Smyth and Mary Smyth**, husband and wife, of the County of Beaver, State of Oklahoma, in pursuance of the rights vouchsafed us by the laws of Oklahoma, do by these presents dedicate, nominate, set apart and designate as our homestead the following described property in Beaver County Oklahoma, to-wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

And being the identical property upon which we presently reside;

To Have and to Hold said property unto our heirs and legal representatives forever free and acquit from all claims whatsoever, and we bind ourselves, our heirs, and legal representatives to occupy, use and enjoy the above described premises as contemplated by law to constitute a homestead, and relinquish hereby all homestead claims that we may or might have to any and all other lands owned by us jointly or severally and especially relinquishing any and all homestead claims to any and all such lands as are now or may hereafter be encumbered by a Deed of Trust, or Deeds of Trust.

Witness our hands this August 8, 1959.

Bruce Smyth

Mary Smyth

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Bruce Smyth and Mary Smyth husband and wife 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 8th day of August, 1959 A.D. .

Sandra McCall, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 18th day of August, 1959, at 8:30 O'clock A.M. and recorded, this 18th day of August, 1959 at 1:25 O'clock P.M.

Homestead Rights

Many states have homestead laws. A *homestead* is defined as “the home or the dwelling place of a landowner [which] will include a specific amount of the adjacent land.” Homestead rights are valid only if the parties claiming these rights actually occupy the homestead property.

Homestead exemption laws are designed to safeguard those who are incapable of paying their debts. One’s homestead is immune and free from all debts except taxes. Some states, however, do not exempt the homestead from prior liens or monetary penalty resulting from public offenses.

The homestead exemption does not mean that a person cannot lose their home to creditors, or that a lien cannot be placed on the home. If a person borrows money on their home, the mortgage holder can foreclose and the exemption has no effect. If an unsecured creditor (someone who has loaned money without obtaining specified assets as collateral) sues and obtains a judgment, the creditor can have the ability to place a lien on the property. However, if Dr. Anthony Miles brought a \$50,000 lawsuit against Jim and Janice Anderson because of unpaid medical bills, and Dr. Miles won the case, homestead exemption laws would protect Jim and Janice from losing their home.

Many courts have held that an encumbrance of a homestead such as an oil and gas lease must be signed by both husband and wife. Such courts have stated that if the owner is married, the encumbrance is not valid, unless and until the spouse of the owner executes the same or a like instrument.

Generally, homestead rights extend to any unsevered mineral estate; therefore, both spouses must execute and gas leases.

Oklahoma

A homestead property is free from any forced sale of the property, except from debts created in order to purchase the property, liens, property improvement liens and taxes.

A severed mineral interest would not be covered by homestead rights.

A party can only claim homestead rights to the domicile of the family.

When leasing homestead lands for oil and gas purposes, both spouses must sign the same lease.

#12

POWER OF ATTORNEY

THE STATE OF OKLAHOMA,
COUNTY OF BEAVER,

KNOW ALL MEN BY THESE PRESENTS:

That I, BRUCE SMYTH, a resident of Beaver, Oklahoma, do hereby appoint my wife MARY SMYTH, of Beaver, Oklahoma, as my agent and lawful attorney-in-fact, with full power of substitution, to act jointly or separately for me and in my name, place and stead and on my behalf to do any and every act and exercise any and every power that I might or could do or exercise if personally present with respect to any and all real and personal property and every interest therein, now or hereafter belonging to me in the State of Oklahoma or elsewhere, intending hereby to vest in said agents a full and universal power of attorney with respect to said property, without limitation or restriction whatsoever.

WITNESS my hand this 29th day of July 1962.

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Bruch Symth, 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 29th day of July, 1962 of A.D. .

Arnold Smee, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 3rd day of September, 1962, at 8:30 O'clock A.M. and recorded, this 3rd day of September, 1962 at 10:55 O'Clock A.M.

Powers of Attorney

Powers of attorney are legal documents that give someone else the right to make decisions, including the right to enter into legally enforceable contracts, on the grantor's behalf when such right is granted. A Power of attorney is to be strictly construed.

IN THE DISTRICT COURT OF BEAVER COUNTY

STATE OF OKLAHOMA

IN THE MATTER OF THE ESTATE OF BEATRICE GRANT, DECEASED)

Book 118, Page 225

ORDER ALLOWING FINAL ACCOUNT OF EXECUTRIX, ORDER FOR DISTRIBUTION, DETERMINATION OF HEIRS-AT-LAW AND DISCHARGE OF EXECUTRIX

This matter coming on for hearing this 9th day of February, 1940, on the Final Accounting of CHRISTINE H. WHILES, Executrix of the Estate of BEATRICE GRANT, deceased (hereinafter called "Executrix"), and the Petition For Distribution, Determination of Heirs-at-Law and Discharge, as filed herein by the Executrix, and pursuant to an Order of this Court entered herein on the 9th day of February, 1940...

THAT THE COURT FINDS, ORDERS, ADJUDGES AND DECREES as follows:

...That on this date this Court has full jurisdiction to hear said Accounting of Executrix, Petition for Distribution, Determination of Heir-at-Law and Discharge of Executrix.

A. That BEATRICE GRANT is hereby determined to have been survived by the following heirs-at-law and no others, to wit:

- DONNA SILVER (legal age) (sister of Decedent)
WILLIAM ALLEN (legal age) (half-brother of Decedent)
FRANKLIN ALLEN (legal age) (half-brother of Decedent)
FREDRICK HOYT (legal age) (half-brother of Decedent)
BETTY HOYT (legal age) (half-sister of Decedent)
CLARENCE HOYT (legal age) (half-brother of Deceased)

B. That Article II of the Last Will and Testament of BEATRICE GRANT, Deceased, provides:

"I give, devise and bequeath the following mineral estate to my sister, Donna Silver situated in Beaver County, Oklahoma and described as follows:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

And I give, devise and bequeath One Dollar to each of my half brothers and half sisters listed as follows; William Allen, Franklin Allen, Fredrick Hoyt, Betty Hoyt and Clarence Hoyt."

The bequests of One Dollar to each of the half-brothers and half-sisters listed in Article 13 of the Last Will and Testament of BEATRICE GRANT have been made in the domiciliary probate procedure and should not be ordered distributed herein. Therefore, said mineral estate situated in Beaver County, Oklahoma of the Estate of BEATRICE GRANT, Deceased, whether real, personal or mixed, wherever situated, and whether inventoried herein or not, is hereby distributed, assigned, transferred and conveyed to DONNA SILVER pursuant to the Last Will and Testament of BEATRICE GRANT.

FILED FOR RECORD, this 19th day of February, 1941, at 8:30 O'clock A.M. and recorded, this 19th day of February, 1941 at 12:55 O'clock A.M.

#14

IN THE DISTRICT COURT OF BEAVER COUNTY, STATE OF OKLAHOMA
In the matter of the Estate of **Donna Silver** Deceased.

PERSONAL REPRESENTATIVE'S DEED

THIS INDENTURE, made this 28th day of August, 1961, by and between David L. Hoyt, personal representative of the estate of Donna Silver, deceased (Grantor) and **Rick Conant, Benjamin Conant and Ace Conant**, Grantee(s), whose post office address is Beaver County, Oklahoma.

WITNESSETH:

WHEREAS, Grantor is the duly appointed and acting personal representative of the estate of Donna Silver, deceased and

WHEREAS, Grantee(s) desires to purchase decedent's interest in certain real property hereinafter described:

NOW, THEREFORE, Grantor, in consideration of the sum of ten and more dollars do grant, convey, transfer, and sell to Grantee(s) an **undivided 150/200ths** interest in the oil, gas and all other minerals known or unknown, under and that may be produced from the following described property: situated in the County of Beaver, State of Oklahoma, share and share alike:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

WITNESS, the hand of the Grantor

Dated this 28th day of August, 1961.

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared David L. Hoyt, 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 28th day August, 1961 A.D.

Terry Marshall, Notary Public, in and for Beaver County
Oklahoma.

(SEAL)

FILED FOR RECORD, this 30th day of August, 1961 , at 8:30 O'clock A.M. and recorded, this 30th day of August, 1961 at 8:55 O'clock A.M.

#15

WARRANTY DEED

Know all men by these presents:

That Ace Conant, party of the fist part, in consideration of one or more Dollars (\$1.00) cash in hand aid do grant, bargain, sell, convey and confirm unto Benjamin Conant party of the second part an undivided twenty-five percent (25%) interest in and to the oil, gas and all other minerals known or unknown, under and that may be produced from the following described lands situated in Beaver, Oklahoma, to wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

I do herby 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.

Dated this 5th day of January, 1976.

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Ace Conant, 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 5th day of January, 1976 A.D.

Harold Murray, Notary Public, in and for Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 10th of February, 1976 at 8:30 O'clock A.M. and recorded, this 10th day of February, 1976 at 1:55 O'clock P.M.

Interest Conveyed vs. Land Described

One of the basic rules of contract law is that if the court is attempting to determine the meaning and effect of a conveyance, they must restrict themselves to the document itself. The restriction does not allow the court to look at other extrinsic evidence such as prior agreements, side agreements, or verbal interactions either before or after the creation of the contract. If terms or conditions in the contract appear to be clear and unambiguous, the court must accept the "*plain meaning*" of the terms and will not be influenced by outside evidence.

This strict view bases the outcome on the *words* and the *words* alone. Over the years, court decisions based on certain words or phrases have become the "law of the land" in the states where the decisions have been made.

Often conveying language in deeds will contain the phrase: "*The Land Described.*" This has very specific meaning. On the other hand, conveying language can contain the phrase: "*The Interest Conveyed.*" This has very specific meaning. A deed that contained "*all that real property described*" or "*in and to all the oil, gas, and other minerals in and said land described*" expresses an intention to grant or reserve out of the entire lands described in the deed.

This can be confusing, especially if the grantor owns less than 100% of the surface or minerals at the time of the conveyance or reservation. One must determine if the grant or reservation is out of what was owned at the time, or out of the entire tract of land. In such cases, the wording in the conveyance or reservation becomes paramount as to what is being conveyed or reserved.

Oklahoma

In Oklahoma, courts have determined that when an ambiguity exists the court will try and determine the intent of the parties based on the words themselves in light of the circumstances that existed at the time of the conveyance.

A deed that contained the phrase "*in and to all the oil, gas, and other minerals in and said land described*" expresses an intention to grant or reserve out of the entire lands described in the deed even though the grantor may not own 100% of the lands described.

#16

IN THE DISTRICT COURT OF BEAVER COUNTY, STATE OF OKLAHOMA

In the matter of the Estate of Rick Conant Deceased.

PERSONAL REPRESENTATIVE'S DEED

THIS INDENTURE, made this 28th day of May, 1979, by and between Benjamin Conant, personal representative of the estate of Rick Conant, deceased (Grantor) and Benjamin **Conant**, Grantee(s), whose post office address is Beaver County, Oklahoma.

WITNESSETH:

WHEREAS, Grantor is the duly appointed and acting personal representative of the estate of Rick Conant, deceased and

WHEREAS, Grantee(s) desires to purchase decedent's interest in certain real property hereinafter described:

NOW, THEREFORE, Grantor, in consideration of the sum of ten and more dollars do grant, convey, transfer, and sell to Grantee(s) an **undivided 50/200ths** interest in the oil, gas and all other minerals known or unknown, under and that may be produced from the following described lands: situated in the County of Beaver, State of Oklahoma:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

WITNESS, the hand of the Grantor
Dated this 28th day of May, 1979.

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Benjamin Conant, 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 28th day May, 1979 A.D.

Cathy Lewis, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 31st day of May, 1979 , at 8:30 O'clock A.M. and recorded, this 31st day of May, 1979 at 8:55 O'clock A.M.

Calculating Interests

Calculating interests for oil and gas properties begins with the amount of acres the person either owns or is contributing to a tract of land or a unit area.

Example #1: Assume this language is used and the conveyance describes a total of 160 acres. Also assume that the grantor only owns an undivided 50% of the minerals at the time of the conveyance. How many acres are conveyed?

"I convey to Grantee an undivided twenty-five percent (25%) interest in and to the oil, gas and all other minerals known or unknown, under and that may be produced from the following described lands"

Since the grant is made based on the lands described, the Grantor has conveyed a full 25% of the minerals to the Grantee.

Example #2: Assume this language is used and the conveyance describes a total of 160 acres. Also assume that the grantor only owns an undivided 50% of the minerals at the time of the conveyance. How many acres are conveyed?

"I convey and sell to Grantee an **undivided 50/200ths** interest in the oil, gas and all other minerals known or unknown, under and that may be produced from the following described lands"

Since the grant is made based on the lands described, the Grantor has conveyed a full 25% or 50/200ths of the minerals to the Grantee.

Example #3: Assume this language is used and the conveyance describes a total of 160 acres. Also assume that the grantor only owns an undivided 50% of the minerals at the time of the conveyance. How many acres are conveyed?

"I convey and sell to Grantee an **undivided 50/200ths** interest of my interest in the oil, gas and all other minerals known or unknown, under and that may be produced from the following described property"

Since the grant is made based on 50/200th "OF" the Grantor's interest, the outcome would differ (50% X 50/200 or 25% = 12.5%).

#17

STATE OF OKLAHOMA
DIVISION OF VITAL RECORDS

CERTIFICATE OF DEATH

DECEDENT'S NAME BRUCE SMYTH SEX MALE
DATE OF DEATH DECEMBER 29, 1965 AGE 79
BIRTHPLACE GREELEY, COLORADO
LOCATION OF DEATH BIXLER, OKLAHOMA
MARITAL STATUS SINGLE RACE WHITE
OCCUPATION RANCHER
MOTHER'S NAME BEATRICE MARTZ
MOTHER'S RESIDENCE DECEASED
FATHER'S NAME ARTHUR SMYTH
FATHER'S RESIDENCE DECEASED
CAUSE OF DEATH OLD AGE
DATE OF RECORD MARCH 25, 1965
REGISTRAR Covis Barns

I hereby certify that the above is a true and correct reproduction of certificate of file in the
Oklahoma Division of Vital Records

Certified by:

Carol Getts
State Registrar

#18

WARRANTY DEED

Know all men by these presents:

That Mary Smyth, a widow party of the first part, in consideration of one or more Dollars (\$1.00) cash in hand aid do grant, bargain, sell, convey and confirm unto Kingdom Farms LTD, party of the second party the following described real estate situated in Beaver, Oklahoma, to wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

Reserving however to Mary Smyth, a widower, in addition to all minerals heretofore previously reserved or conveyed, an undivided twenty-five percent (25%) interest in and to all of the oil, gas and other minerals in and under and that may be produced from the above described lands together with the right of ingress and egress at all times for the purpose of mining, drilling, exploring, operating, and developing said lands for oil, gas and other minerals and storing, handling, transporting and marketing the same therefrom.

I do herby 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.

Dated this 2nd day of September, 1967.

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Mary Smyth, 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 2nd day of September, 1967 A.D.

Tomas Kennedy, Notary Public, in and for Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 12th day of September, 1967, at 8:30 O'clock A.M. and recorded, this 12th day of September, 1967 at 4:15 O'clock P.M.

The Duhig Rule

In Texas, the court has fashioned a rule referred to as the *Duhig Rule*. Alabama, Colorado, Louisiana, Oklahoma, Mississippi, North Dakota, New Mexico, Texas, Arkansas and Wyoming are states that have adopted the Duhig rule. Utah ignores the Duhig rule.

The rule says that if one party conveys to another through a warranty deed and that party wishes to reserve minerals, then it is necessary that all prior reservations of record be set forth, if the conveying party intends to retain the reserved interest. The court has found that *the granted interest* on the face of the conveying deed *will take priority over any reserved interest to the extent possible*.

The Duhig Rule

The general rule, subject to a determination of the intention of the parties, is that if one party convey to another and wishes to reserve minerals, then it is necessary that the previous reservation(s) be set forth - if the conveying party intends to retain the reserved interest.

The court found that a *granted interest takes priority over a reserved interest to the extent possible*. However, the "Duhig Rule" is not followed if it can be shown that the grantee had actual notice of previously reserved interests.

Duhig v. Peavy-Moore Lumber Co., 144 S.W.2d 878 (Tex. 1940)

In the reservation language cited in the Warranty Deed above, Mary Smyth added appropriate words that would protect her from the effect of this rule. She stated that her reserved interest was *in addition to all minerals heretofore previously reserved or conveyed*. This language was putting Kingdom Farms on notice that minerals might have been previously reserved under the tract of land and that her mineral reservation was in addition to what might have transpired previously.

Assume the reservation in the deed said the following:

"Reserving however to Mary Smyth, a widower, an undivided twenty-five percent (25%) interest in and to all of the oil, gas and other

minerals in and under said and that may be produced from the above described lands now owned by the grantor”

What would be the outcome now?

Answer: in this case, the outcome would be that Mary Smyth would not be able to keep any of her mineral interest. Since no previous mineral reservations were mentioned in the language, Kingdom Farms would assume that since Mary Smyth was reserving 25% of the minerals they would be receiving 75% of the mineral interest. The Warranty Deed purports to convey 75% of the minerals to Kingdom Farms. This, of course, was not possible since Mary Smyth only owned 25% of the minerals at the time. Since she warranted title to Kingdom Farms she must make them whole to the extent possible.

Intent Clauses

Often, language will be added to the granting clause with the intent of clearing up any potential ambiguities or confusion about what is being granted or reserved. This language would be considered an “Intent Clause” of the document. When an ambiguity exists in granting language but the conveyance has intent language added, the courts have often placed greater weight on the intent language because they see it as language added in an attempt to make a clear statement of reservation or conveyance.

The following would be an example of reservation language without intent clause language added:

“I hereby grant to Kingdom Farms LTD all my right, title and interest in and to the described lands reserving unto myself an undivided 25% interest in and to all the oil, gas and other minerals in and under said lands.”

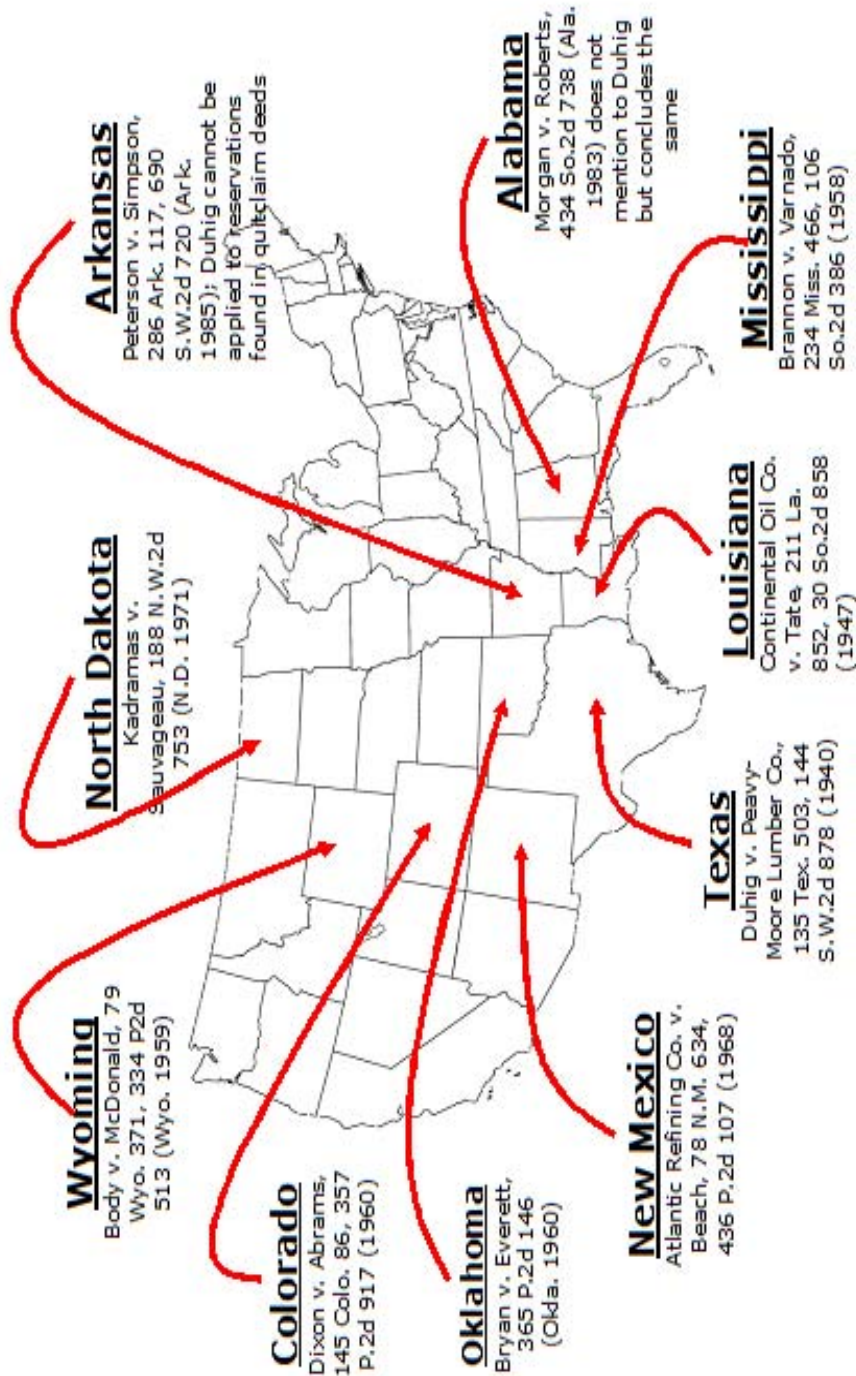
In this case, Mary Smyth has created a potential Duhig dilemma for herself. However, let’s assume that Mary Smyth had added this intent language:

“I hereby grant to Kingdom Farms LTD all my right, title and interest in and to the described lands reserving unto myself an undivided 25% interest in and to all the oil, gas and other minerals in and under said lands. It is my intent to reserve a full undivided 25% interest in and to all of the oil, gas and other minerals in and under said lands.”

Mary could also have added, “It is my intent to convey only surface interest to Kingdom Farms LTD.”

When an ambiguity exists in granting language but the conveyance has intent language added, the courts have often placed greater weight on the intent language because they see it as language added in an attempt to make a clear statement of reservation or conveyance.

States that have adopted the Duhig Rule



States that have not adopted the Duhig Rule
Pennsylvania, West Virginia, New York, Kansas, Georgia, Michigan, California, Utah has rejected the Rule and Montana follows the doctrine of "estoppel by deed" but has not adopted the Rule

#19

MINERAL DEED

KNOW ALL MEN BY THESE PRESENTS:

That Mary Smyth, a widow hereinafter called Grantor, for an in consideration of the sum of ten and more dollars (\$10.00) cash in hand paid and other good an valuable consideration, the receipt of which is hereby acknowledge, do hereby offer unto

Thomas Kelly and Brian Daley hereinafter called Grantee

an undivided twenty-five percent (25%) interest in an to all of the oil, gas and other mineral in and under and that may be produced from the following tract of land situated in Beaver County, Oklahoma, share and share alike, to wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

Dated this 13TH day of April, 1968.

STATE OF OKLAHOMA }
COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Mary Smyth, 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 13th day of April, 1968 A.D.

Harriet Morris, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 30th of May, 1968, at 8:30 O'clock A.M. and recorded, this 30th day of May, 1968 at 3:50 O'clock P.M.

#20

QUIT CLAIM DEED

Know all men by these presents:

Dated: November 12, 1972

*That Thomas Kelly, a single man, in consideration of the sum of ten and more Dollars (\$10.00) cash in hand paid by **Dorothy Osmond**, do hereby convey and QUITCLAIM unto the said Dorothy Osmond an undivided fifty percent (50%) of my interest in and to the oil, gas and all other minerals known or unknown, in on and under and that may be produced from the following described property situated in Beaver County, State of Oklahoma:*

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

Dated this 12th day of November, 1972

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Thomas Kelly, 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 12th day of November, 1972 A.D.

Juliet Norris, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 1st day of June, 1973, at 8:30 O'clock A.M. and recorded, this 1st day of June, 1973 at 9:25 O'clock A.M.

Quit Claim Deeds are used to convey any interest that the grantor might possess in the property. The grantor might be a legal owner or the grantor might never have formally been identified on a deed describing the property.

#21

QUIT CLAIM DEED

Know all men by these presents:

Dated: November 13, 1972

That Thomas Kelly, a single man, in consideration of the sum of ten and more Dollars (\$10.00) cash in hand paid by Gary Lockwood, do hereby convey and QUITCLAIM unto the said Gary Lockwood an undivided 6.25% in and to the oil, gas and all other minerals known or unknown, in on and under and that may be produced from the following described land situated in Beaver County, State of Oklahoma:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

Dated this 13th day of November, 1972

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Thomas Kelly, 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 13th day of November, 1972 A.D.

Juliet Norris, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 1st day of June, 1973, at 8:30 O’Clock A.M. and recorded, this 1st day of June, 1973 at 9:30 O’Clock A.M.

"Land Described" vs. Other Language

EXAMPLES OF DIFFERENT LANGUAGE

#1 Assume that Thomas Kelly had used this language instead:

"Thomas Kelly, a single man, in consideration of the sum of ten and more Dollars (\$10.00) cash in hand paid by *Gary Lockwood*, do hereby convey and QUITCLAIM unto the said Gary Lockwood an undivided 6.25% of my interest in and to the oil, gas and all other minerals known or unknown, under and that may be produced from the following described land situated in Beaver County, State of Oklahoma:

Since the grant is made based on 6.25% "OF" the Grantor's interest and since the Grantor owned an undivided 6.25% interest prior to the conveyance, the outcome would be $(6.25\% \times 6.25 = .3906\%$ going to Grantee).

#2 Assume that Thomas Kelly had used this language instead:

"Thomas Kelly, a single man, in consideration of the sum of ten and more Dollars (\$10.00) cash in hand paid by *Gary Lockwood*, do hereby convey and QUITCLAIM unto the said Gary Lockwood an undivided 50% interest in and to the oil, gas and all other minerals known or unknown, that I may own, in on and under and that may be produced from the following described land situated in Beaver County, State of Oklahoma:

Since the grant is made based on 50% interest in what Grantor owns, the outcome would be $(50\% \times 6.25 = 3.125\%$ going to Grantee).

#22

ROYALTY DEED

KNOW ALL MEN BY THESE PRESENTS:

That **BENJAMIN CONANT** of 146 S. Wood Street, Gamble City, South Dakota, hereinafter called Grantor, for and in consideration of the sum of love and affection and other good and valuable consideration, do hereby grant, bargain, sell and conveys unto

RAYMOND CONANT, an undivided 1½% royalty;
DONALD CONANT, an undivided 1½% royalty;
And to **JACKIE TALLMAN**; an undivided 1½% royalty interest

In and to all oil, gas and other minerals of whatever nature or kind produced saved and made available for market from the following described lands situated in Beaver County, Oklahoma, to-wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

It being the intent of this royalty deed to convey each of the royalty interests out of the undivided mineral interest owned by grantor or his successors or heirs.

WITNESS our hand this 12th day of March, 1980

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Bernard L. Harrison, 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 18th day of March A.D. 1980.

James McGregor, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 3rd day of May, 1980, at 8:30 O'clock A.M. and recorded, this 3rd day of May, 1980 at 12:55 O'clock A.M.

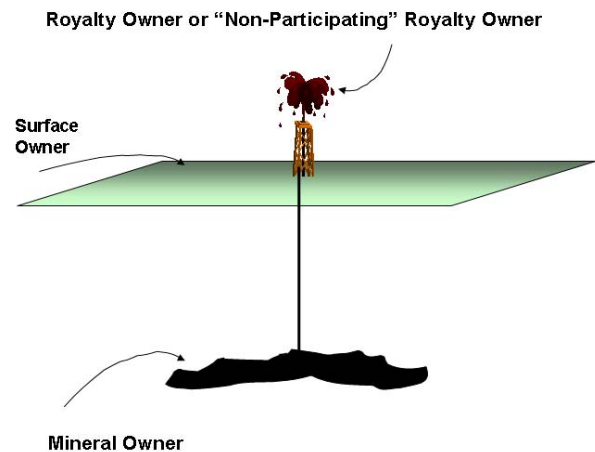
Royalty vs. Mineral Interest

Examples of other language:

#1 Assume the deed is entitled a "Royalty Deed" but contains this granting language:

"I convey to RAYMOND CONANT, an undivided 1½% of the oil, gas and other minerals in on and under that may be produced from the described land"

Even though the title of the deed is "Royalty Deed", the language in the deed specifies differently. The words, "in on and under that may be produced" indicate that this is a mineral conveyance. Looking at the picture, one can tell where the minerals are located and that those minerals are still in the ground. They *may* be produced.



#2 Assume the deed is entitled a "Mineral Deed" but contains this granting language:

"I convey to RAYMOND CONANT, an undivided 1½% to all oil, gas and other minerals of whatever nature or kind produced saved and made available for market from the following described lands"

Regardless of the title of the deed, the language would be conveying royalty because of the words "produced, saved and made available for market." Looking at the picture, one can tell what is being produced.

Conveyances that use the Words "Out Of" vs. "Of"

It is often difficult to determine the amount of interest being conveyed or reserved when the grantor, who only owns an undivided portion of the minerals, references that undivided interest at the time of the conveyance. The land professional must determine if the percentage being granted comes *out of* the grantor's fractional mineral interest owned at the time or if the percentage being granted is a percentage *of* the grantor's interest. Understanding the impact of the words, "out of" or "of" becomes very important to the land professional. The word OF = multiplication whereas the words OUT OF = subtraction.

The Words "Out Of"

According to Hemingway Oil and Gas Law and Taxation, Fourth Edition, p.113-114, the phrase "out of" refers back to the *source of the interest* from which the royalty will be taken. The royalty is to be taken out of the grantor's mineral interest but it does not mean that the grantor is conveying 1.5% of his undivided mineral interest. If the deed simply used the word "of" the result might be different in that the word "of" is the same as "times" in a multiplication formula. The grantor would be conveying 1.5% of his undivided 75% mineral interest. "Out of" would be a subtraction problem, whereas, "Of" would be a multiplication problem. In this regard, Williams and Meyers, 1 Oil and Gas law 654, Sec 319 commenting on case law says, "The position adopted by the court appears to be a tenable construction of the phrase "out of." When the words "out of" are used the term refers to the *source of the interest from which the 1.5% royalty interest is to be taken.*

Assume there is a \$100 bill. I own 50% of the \$100 and someone else owns the other 50%.



Giving you 25% "OUT OF" my 50% is different than giving you 25% "OF" my 50%. If I gave you 25% "OUT OF" by 50% it would look like this:



Giving you 25% "OF" my 50% would be to give you a 25 X 50 or 12.5% of the \$100. That would look like this.



TERM MINERAL DEED

KNOW ALL MEN BY THESE PRESENTS:

That Benjamin Conant hereinafter called Grantor, for an in consideration of the sum of ten and more dollars (\$10.00) cash in hand paid and other good an valuable consideration, the receipt of which is hereby acknowledge, do hereby offer unto Otis Vargus hereinafter called Grantee 100% of grantor’s right, title and interest in and to all of the oil, gas and other minerals for a term of ten (10) years from April 13, 2004 from the following tract of land situated in - Beaver County, Oklahoma_to wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

Containing 160 acres more or less, together with the right of ingress and egress at all times.....

Dated this 13TH day of April, 2004.

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Benjamin Conant, 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 13th day of April, 2004 A.D.

Jason Morales, Notary Public, in and for
Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 30th of May, 2004, at 8:30 O’clock A.M. and recorded, this 30th day of May, 2004 at 1:15 O’clock P.M.

Term Minerals

Term mineral or royalty conveyances or reservations can pose a particular problem for the Land Professional. One must understand that a grant of ownership for a particular term reserves all future rights to the grantor when the term comes to its end. In other words, the owner of the term interest has no right or privilege to future interest.

For instance, a fee owner can convey his or her property for either a limited time or a potential limited time. It might appear, from the face of the conveyance, that 100% of the owner's interest has passed to the new owner; however, the future interest or potential future interest has *not* passed to the new owner. It has been maintained by the fee owner. *Understanding this concept becomes important for the land professional. For instance, assume that the fee owner has conveyed a tract of land to another for a term of ten years. Certainly, the new owner has the right to encumber his or her ownership in the land during the time period of that ownership; however, does the new owner have the right to encumber the ownership of the land past the ten years of ownership?*

Generally, states have concluded that the holder of a term interest can sign an oil and gas lease, but that lease, or portions thereof, *will not continue* beyond the expiration date of the term mineral interest. This issue can create a challenge for oil and gas personnel. Unless the conveying document provides for the continuation of the lease past the expiration date, a lease will not transfer to the reversionary mineral owner and two leases should be taken; one from the holder of the term interest and the other from the holder of the reversionary interest.

Oklahoma

The Oklahoma Supreme Court found that unless language in the deed expressly gives the term mineral interest holder the right to encumber both the term mineral interest and the future reversionary interest with an oil and gas lease or unless the lease had been ratified or joined in by the holders of the reversionary interest, the oil and gas lease will terminate upon the expiration of the term mineral interest. *RLM Petroleum Corp. v. Emmerich*, 896 P.2d 531 (okl. 1995)

#24

OIL, GAS AND MINERAL LEASE

AGREEMENT, Made and entered into February 14, 2002, by and between, Dorothy Osmond, a single woman, HEREINAFTER call Lessor and Samoan Oil and Gas, Inc., HEREINAFTER called Lessee.

WITNESSETH, That the said lessee, for and in consideration of ***** Ten and MORE ***** DOLLARS, cash in hand paid, receipt of which is hereby acknowledge and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, had granted demised, leases and let and be there presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods for oil,gas, and all other hydrocarbons therein, situated in the County of Beaver State of Oklahoma,described as follows, to-wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

In consideration of the premises the said lessee covenants and agrees. Subject to the provisions herein contained, this lease shall remain in force for a term of Seven (7) years from this date (herein called primary term) and as long thereafter as oil or gas or either of them is produced from said land.

For all purposes of this lease, Lessee convents
1st. To deliver to the credit of lessor free of cost, in the pipe line to which it may connect its wells 3/16th part of all oil produces and saved from the leased premises.

2nd. On gas including casing head gas or other gaseous substance, produced from said land and sold or used in the manufacture of products therefrom the market value at the well of 3/16th of the gas so sold or used, such proceeds to be less severance and other excise taxes, said payments to be made monthly

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Dorothy Osmond, 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 14th day of February, 2002 A.D.

Jason Morales, Notary Public, in and for Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 15th of April, 2002, at 8:30 O'clock A.M. and recorded, this 15th day of April, 2002 at 1:15 O'clock P.M.

#25

OIL, GAS AND MINERAL LEASE

AGREEMENT, Made and entered into May 25, 2008, by and between, Otis Vargus and Mildred Vargus, husband and wife, HEREINAFTER call Lessor and Sunrise Oil & Gas, HEREINAFTER called Lessee.

WITNESSETH, That the said lessee, for and in consideration of ***** Ten and MORE ***** DOLLARS, cash in hand paid, receipt of which is hereby acknowledge and of the covenants and agreements hereinafter contained on the part of the lessee to be paid, kept and performed, had granted demised, leases and let and be there presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods for oil,gas, and all other hydrocarbons therein, situated in the County of Beaver State of Oklahoma,described as follows, to-wit:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, containing one hundred sixty acres. Beaver County, Oklahoma

In consideration of the premises the said lessee covenants and agrees.

Subject to the provisions herein contained, this lease shall remain in force for a term of Five (5) years from this date (herein called primary term) and as long thereafter as oil or gas or either of them is produced from said land.

For all purposes of this lease, Lessee convents

1st. To deliver to the credit of lessor free of cost, in the pipe line to which it may connect its wells 3/16th part of all oil produces and saved from the leased premises.

2nd. On gas including casing head gas or other gaseous substance, produced from said land and sold or used in the manufacture of products therefrom the market value at the well of 3/16th of the gas so sold or used, such proceeds to be less severance and other excise taxes, said payments to be made monthly

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Otis Vargus and Mildred Vargus, husband and wife, 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 25th day of May, 2008 A.D.

Jason Morales, Notary Public, in and for Beaver County Oklahoma.

(SEAL)

FILED FOR RECORD, this 5th of July, 2008, at 8:30 O'clock A.M. and recorded, this 5th day of July, 2008 at 3:15 O'clock P.M.

Unreleased of Oil and Gas Lease

When looking at a chain of title, it is not uncommon to see old oil and gas leases which appear to have expired by their own terms but have not been released of record. Title opinions will address this type of an issue with a requirement that a release of the old oil and gas lease be secured and recorded. This type of title requirement may not appear to be of severe consequence and it can become tempting to ignore such a requirement involving leases that are years old; however, title to a tract of land will be less than marketable if the land is encumbered by a prior, unreleased oil and gas lease, mortgage, unpaid tax, or judgment.

An oil and gas lease “for a term of five years and as long thereafter as oil or gas or either of them is produced,” which is *unreleased* after the expiration of the five-year term, constitutes a *cloud on the lessor's title* to the land and prevents the record from showing good and marketable title for the lessor. Such a lease which is beyond its primary term should be released by the owner of record; however, most oil and gas companies do not, as a standard operating procedure, file such a release of record unless it is required or requested by the lessor or by state statute.

A “Release of Oil and Gas Lease” is a document executed by the lessee of record on a lease that is past its primary term and is no longer maintained by any type of rental, production, or continuous drilling activity. In some states, the state oil and gas commission will provide a certificate of nonproduction.

The land professional should be aware that any lease beyond its primary term can be held by production from any of the land described in the lease, shut-in gas royalty payments, continuous drilling, or by lands pooled or unitized with the lease land. In the latter, a producing well need not be located on the lands described in the lease in order to hold the lease beyond its primary term.

#26

NOTICE OF LIS PENDENS

STATE OF OKLAHOMA

COUNTY OF BEAVER

NOTICE IS HEREBY GIVEN that Cause No. 10,269, styled Mountain View Construction, Plaintiff v. Gary Lockwood, Defendant, was commenced in the 46th District Court of Beaver County, Oklahoma on May 31, 2008, and is now pending in such court.

This action involves the title, or seeks to establish a lien interest, or seeks to enforce by foreclosure a mechanic's or materialman's lien or charge, or establish an encumbrance against real property situated in Beaver County, Oklahoma and described as follows:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

The nature of the action sought, right or interest sought to be enforced is as follows: [Plaintiff brings this action to confirm title, remove clouds from title and to compel Defendant to convey legal title to an undivided 6.25% mineral interest in and to the above described lands situated in Beaver County, Oklahoma based on the fact that Plaintiff has paid to purchase said interest and the Defendant and/or their successors in interest have failed to convey the above described mineral interest and, therefore, Defendants hold the interest in trust for the benefit of the Plaintiff.]

SIGNED this 4th day of December, 2008

STATE OF OKLAHOMA }

COUNTY OF BEAVER }

Before me, THE UNDERSIGNED A Notary Public, in and for said County and State, on this day personally appeared Fred A. Davis, President of Mountain View Construction, 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 2nd day of January, 2009 A.D.

Fredric Burrows, Notary Public, in and for Beaver County
Oklahoma.

(SEAL)

FILED FOR RECORD, this 12th day of January, 2009, at 8:30 O'clock A.M. and recorded, this 12th day of January, 2009 at 4:15 O'clock P.M.

Lis Pendens (Lawsuit Pending)

Oklahoma is generally known as a lien theory state where the property acts as security for the underlying loan. To foreclose, a lender must prove in court that the mortgagor is in default.

Lis pendens is Latin for "suit pending." This may refer to any pending lawsuit or to a specific situation. In current practice, a *lis pendens* is a written notice that a lawsuit has been filed concerning real estate, involving either the title to the property or a claimed ownership. When property recorded, the notice of *lis pendens* becomes constructive notice to all other litigants or other unrecorded or subordinate lienholders that title to the property is in litigation and that any current transaction on the property will be bound by and future adverse judgment against the property.

The notice is usually filed in the county land records office alerting a potential purchaser or lender that the property's title has a cloud on it. However, this does not prevent the property from being sold but the buyer, subject to the ultimate decision of the lawsuit.

A *lis pendens* will contain the names of all parties involved in the pending action, the reason for the action and a description of the land affected by the action.

Judgments

Judgments are the courts final decree on a matter granting or denying a plaintiff's claim against a property. The judgment will set forth the final outcome of the court case. If a lawsuit was pending regarding a foreclosure hearing and the court found in favor of the lender, the final decree would declare that the lender could legally take back the property by auctioning it off for any loss, costs or damages.

Cause No. 10269

MOUNTIAN VIEW CONSTRUCTION, Plaintiffs, } IN THE 46TH DISTRICT COURT
 vs. } OF
 GARY LOCKWOOD, Defendant } BEAVER COUNTY, OKLAHOMA

FINAL JUDGMENT

On January 24, 2009, this case was called for trial. Plaintiffs, Mountain View Construction appeared in person, through Fred Davis, its representative ready for trial. Defendants, Gary Lockwood, appeared in person, through Mike Henry, its representative ready for trial.

This case sought to establish an undivided 6.25% mineral ownership in real property situated in Beaver County, Oklahoma and described as follows:

The Northeast quarter of section eight (8) in Township one hundred and twenty-nine (129) North, Range one hundred three (103) West of the Fifth Principle Meridian, Oklahoma, containing one hundred sixty acres. Beaver County, Oklahoma

All matters in controversy, legal and factual, were submitted to the Court for its determination. The Court heard the evidence and arguments of counsel and after the trial recommended that both parties file a post-trial brief within the next 10 days for addition consideration of the Court. Both parties timely filed a post-trial brief.

The Court Hereby RENDERS judgment for Defendant, Gary Lockwood for an undivided 6.25% mineral interest in and under said property, and for actual court costs incurred as a result of action caused by Plaintiff in regard to this judgment.

This judgment is final, disposes of all claims and all parties, and is appealable.
SIGNED on February 25, 2009

FILED FOR RECORD, this 25th day of February, 2009, at 8:30 O'clock A.M. and recorded, this 25th day of February, 2009 at 3:15 O'clock P.M.

Example of Ownership Report

OWNERSHIP REPORT

Legal Description

Twp. 7 North, Range 7 West, 6th P.M.

Section 8: W/2SW/4

Section 8, Township 7N, Range 7W
Millard COUNTY ND, 80.00 acres more or less

Name of Mineral Owner	Percent of Tract	Net Acres
Oscar Schmidt	0.3333333	26.66666
Elizabeth Rogers	0.1666667	13.33333
Beth Mitchell	0.0833334	6.66667
Oscar Mitchell	0.0416667	3.33333
Randall Mitchell	0.0416667	3.33333
John Willis	0.2222222	17.77778
Kenton Upton	0.1111111	8.88889
Total	1.0000000	80.00000

OWNERSHIP REPORT

Legal Description

Section _____, Township _____, Range _____
_____ COUNTY _____, _____ acres more or less

Surface Owner _____

Name of Mineral Owner	Percent of Tract	Net Acres
Total		

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.

www.petroleumeducationworkshops.com