



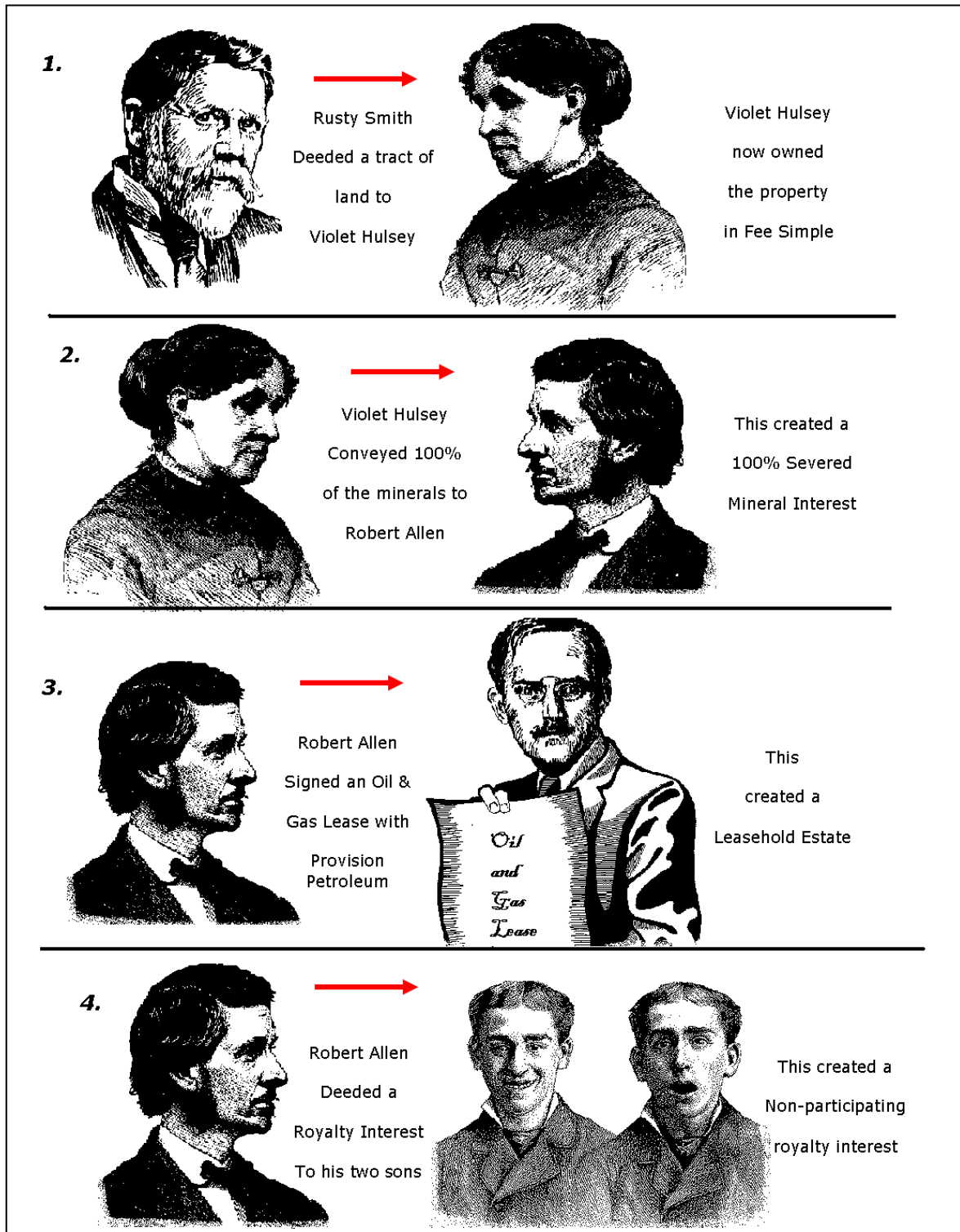
Chapter 3

MINERAL OWNERSHIP

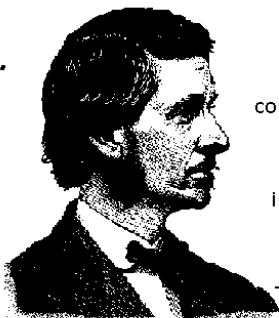
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TYPES OF OIL AND GAS INTERESTS THAT CAN BE CREATED

We have seen that many types of property ownership exist. In the same vein, under one tract of land, several different types of oil and gas interests can be created. The illustration below demonstrates some of those interests.



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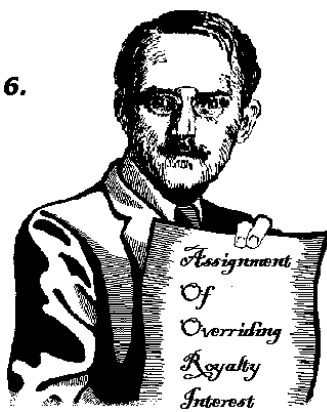


Robert Allen conveyed 50% of his mineral interest to his sister, Tammy Allen

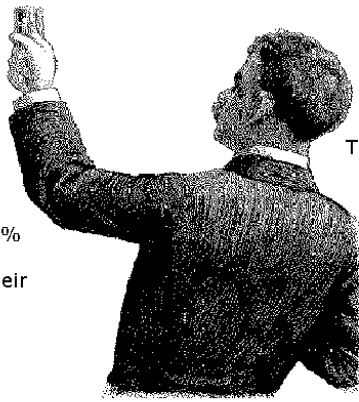


This created an undivided Mineral Interest

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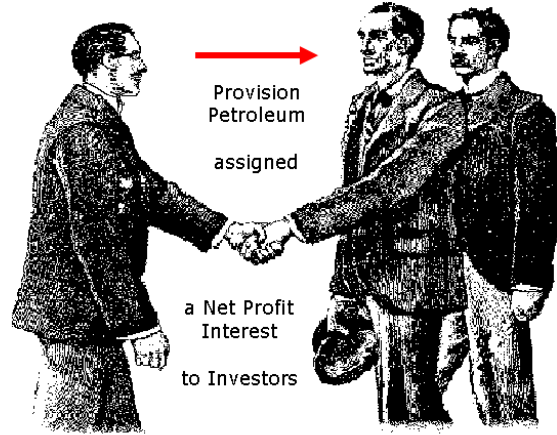


Provision Petroleum Assigned a 3% override to their geologist



This created an Overriding Royalty Interest

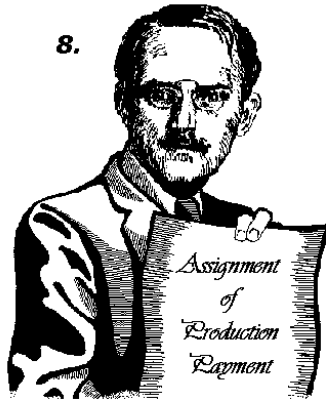
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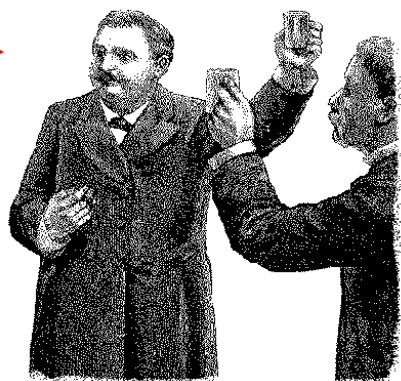
Provision Petroleum assigned a Net Profit Interest to Investors

This created a Net Profit Interest

8.



Provision Petroleum Assigned a Production Payment To Creditors



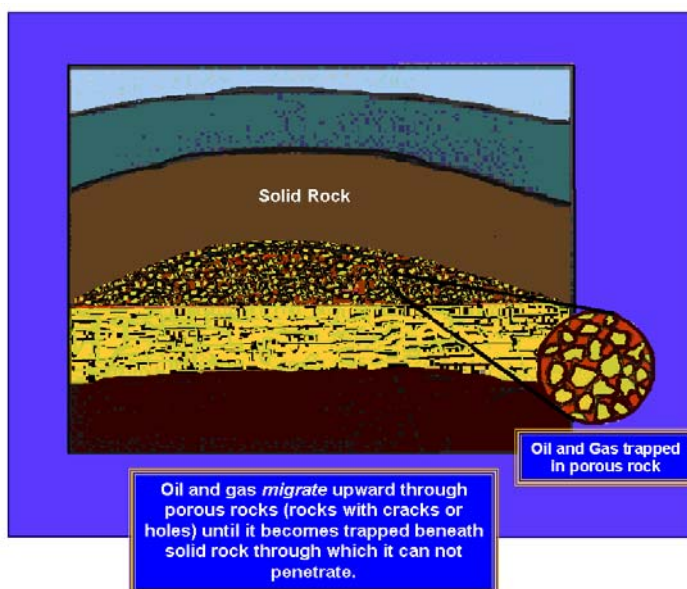
This created a Production Payment Interest

In order to understand the concept of mineral ownership, one should first understand the underlying principle that oil and gas *migrates*, moves, or travels through porous rocks until it becomes trapped beneath solid rock. In other words, the oil and gas that is beneath a certain tract of land today may not be under the same tract of land next year.

Subsurface reservoirs of oil and gas are not found in underground caves or caverns rather they exist in porous rocks (rocks like sandstone that have holes). Since oil and gas travels or migrates through these types of rocks, they travel until they become trapped beneath a formation of solid rocks that contain no cracks or holes.

Finding these trapped reserves can be tricky. They are not always at the same depth. In one location, oil and gas might migrate upward to a depth of 3,000 feet before it becomes trapped. In another location, the oil and gas might become trapped beneath a deeper formation of solid rock located at 8,000 feet.

Since these minerals tend to move from one location to another until they become trapped, the question arises, who owns these minerals?

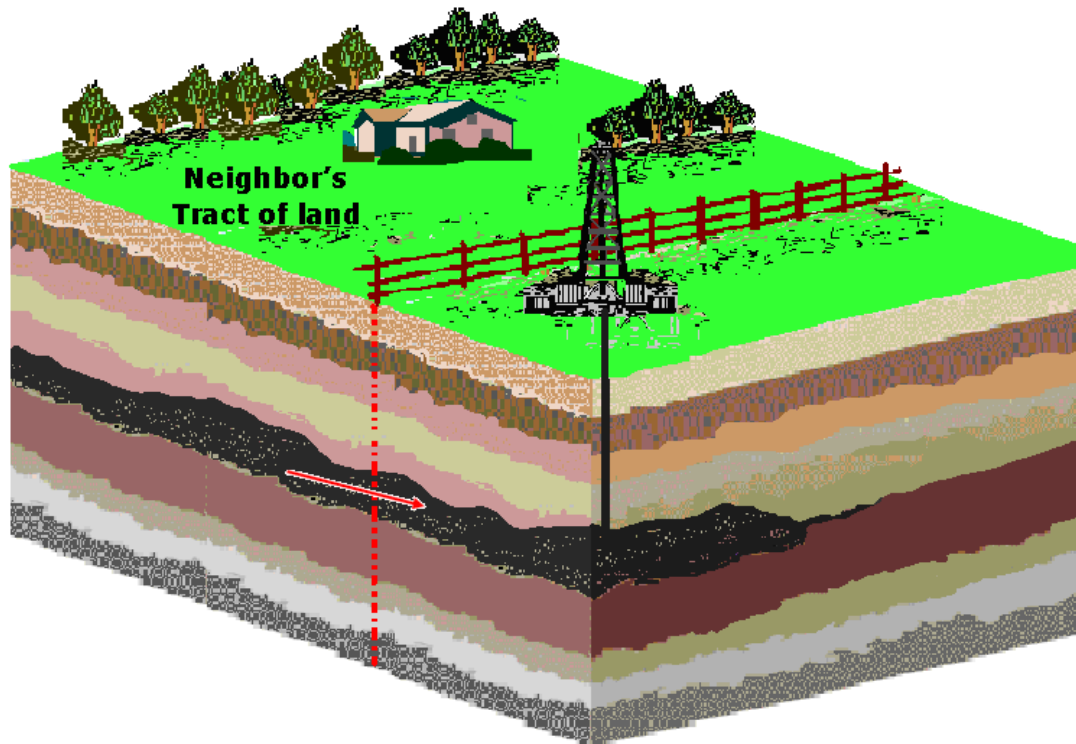


In an attempt to understand the answer to this question, one must understand another oil and gas principle called the *Rule of Capture*.

The rule of capture is applied to any and all mineral owners and briefly states that a mineral owner has the right to capture all of the oil and gas he or she brings to the surface through wells located on his or her own property and that such a mineral owner is the absolute owner of the captured oil or gas.

This ownership applies not only to the oil or gas that lies beneath the mineral owner's land, but also any and all oil and gas that is being drained from a neighboring tract of land. In such a case, the mineral owner extracting the oil and gas is not liable to make restitution of any kind to the adjacent landowner.¹

Rule of Capture



This rule is based on the idea that oil and gas migrates or moves. Once the oil and gas has migrated from beneath the adjacent landowner's tract of land, it is no longer owned by this landowner but becomes the property of the mineral owner extracting the product from wells located on his or her land.

States are split on when ownership takes place. Texas, New Mexico, West Virginia and Mississippi hold that the landowner owns the minerals under their tract of land. Once it moves beneath another tract of land, the ownership changes. The other states hold that ownership takes place upon the retrieval of the minerals from the ground.

The Ohio Supreme Court held:

"Petroleum oil is a mineral, and while in the earth it is part of the realty, and, should it move from place to place by percolation or otherwise, it forms part of that tract of land in which it tarries for the time being, and, if it moves to the next adjoining tract, it becomes part and parcel of that tract; and it forms part of some tract until it reaches a well, and is raised to the surface, and then

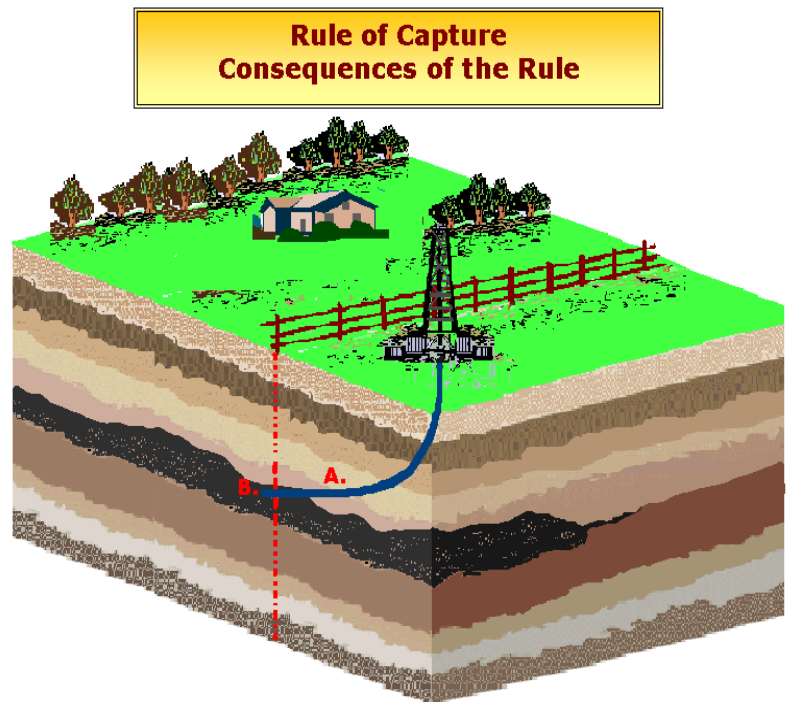
for the first time it becomes the subject of distinct ownership, separate from the realty, and becomes personal property- the property of the person into whose well it came. And this is so whether the oil moves, percolates, or exists in pools or deposits. In either event, it is the property of, and belongs to, the person who reaches it by means of a well, and severs it from the realty, and converts it into personalty."²

Exceptions of the Rule

Courts have also ruled that drilling directionally in order to capture oil and gas from beneath an adjacent tract of land constitutes "clear trespass".³

Also, if the well bore is drilled directionally and bottom holes beneath the adjacent tract of land, the oil or gas produced belongs to the landowner where the well bottom holed.

The conclusion of this matter is simple. Courts have determined that the appropriate solution for a landowner wishing to protect their land from drainage is simply to develop their own land through drilling their own well.⁴



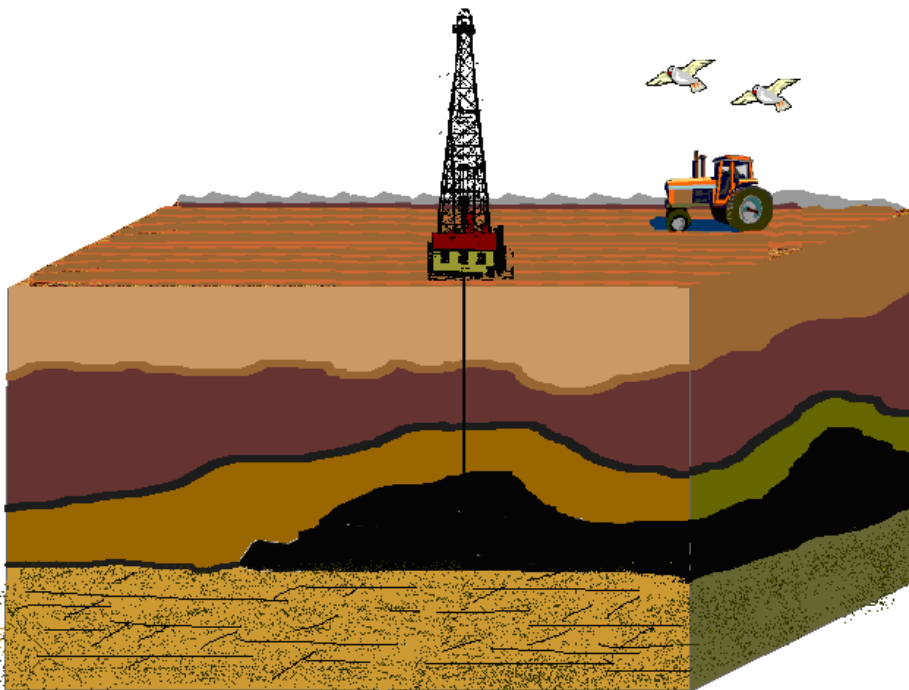
A. Clear Trespass takes place when a company drills directionally in an attempt to intentionally capture oil and gas from an adjacent tract of land.

B. If the well bottom holes beneath an adjacent tract of land, the oil or gas produced belongs to the landowner under which the well was drilled.

Fee Simple Ownership

The most basic type of property ownership is known as a “fee simple estate”. This is also the highest type of ownership because it gives the owner the right to possess the property forever. In many cases when the lands in the United States were first granted to individuals, they received ownership in fee simple to the surface and the minerals to the center of the earth. Such an owner would then own all rights to the surface, minerals, rights to sign an oil and gas lease, and rights to receive all bonus money and royalty payments.

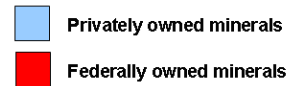
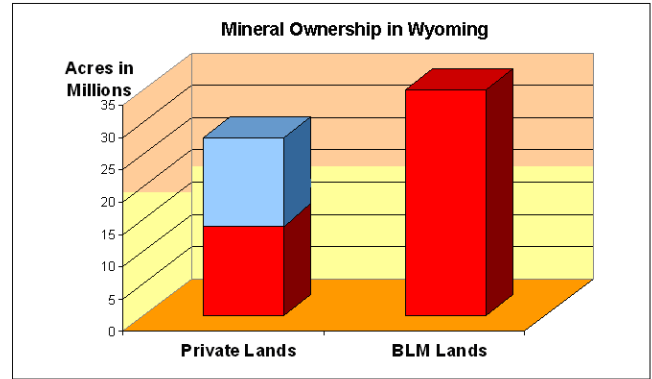
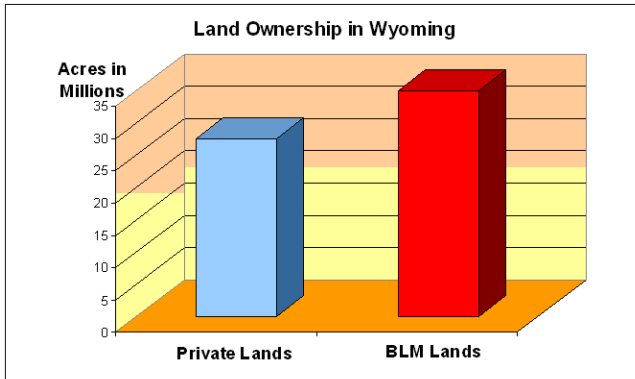
When lands were first granted in the United States, most owners received a fee simple ownership in the surface and minerals to the center of the earth.



Split Estate Lands

Today, in many cases, 100% of the minerals are owned by parties other than the surface owner. When this happens, the land is referred to as split estate lands.

Wyoming is a classic example. The total land mass in Wyoming is 62.6 million acres. Of those 62.6 million acres, 44% of the land is privately owned. The remaining 56% is public land or land that is owned by the federal government, managed by the BLM. Of the privately owned land, 48% or 12 million acres of it is split estate lands.



Severed Mineral Ownership

We have previously seen that mineral ownership can be severed from the surface ownership. Severing of minerals simply means that the surface owner is a different person from the mineral owner.

During the granting period of the western frontier, the surface owner (in most cases) received all right, title and interest to the oil and gas minerals lying beneath the surface of the land. This ownership extended from the surface to the center of the earth.

What has happened over time, however, is that either a full severing (split estate lands) or a partial severing of the mineral estate has occurred in thousands of tracts of land.

We saw in our definition of property ownership that the owner of the property has the *rights to possess or occupy* the property. The owner also has the rights *to sell, lease, mortgage, give away or abandon the property*. These rights would include selling or giving away ownership in and to the minerals underlying a surface tract of land.

Picture a widow by the name of Harriet Smith. Times were rough during the depression years and she was in the position of losing her farm because of her inability to pay her property taxes. She only possessed one thing valuable enough to pay the taxes – her mineral rights, so, she sold those to a neighbor named Ivan Tommy.



Picture another farmer who owned his tract of land in fee simple. The farmer was approached by an oil and gas speculator who offered to purchase either all or part of the minerals from the farmer. Since the farmer didn't believe that the minerals would ever be of value and had no resource to drill his own oil well, he sold the minerals for a certain dollar amount per mineral acre.

Let's say the farmer sold 50% of the minerals under his farm to the investor. In this case, 50% of the minerals have been *severed* from the surface and 50% of the minerals would still be considered whole with the surface.

The investor could then travel back to the big city and offer to sell a portion of the 50% minerals he had just purchased to other investors. He might sell

- 10% of the 50% to investor #1,
- 15% of the 50% to investor #2, and
- 2.5% of the 50% to investor #3.

In this case the initial investor would still own 72.5% of the 50% severed minerals. If this person died and his only heirs were his four school-age children, each of his children might inherit 25% of his 72.5% of the 50%. You can see how severed minerals can become fractionalized over the years.

Example:

Follow the chain of events in the pictures to determine who owns what percentage of the minerals in the 640 acres.

At this point the minerals are owned:

Farmer	50%
Bill Scott	50%

The Farmer owns 100% of the surface and 100% of the minerals in a tract of land that is 640 acres.

The farmer severs 50% of the minerals when he sells them to a non-surface owner named Bill Scott.



At this point the minerals are owned:

Farmer	50.000%
Bill Scott	25.000%
Matthew	8.333%
Nicholas	8.333%
Gary	8.334%

Bill Scott sells one-half of his mineral interest to three brothers. Each of the brothers bought an equal portion of this one-half of Bill Scott's one-half interest. The brothers are Matthew, Nicholas and Gary Walker.



At this point the minerals are owned:

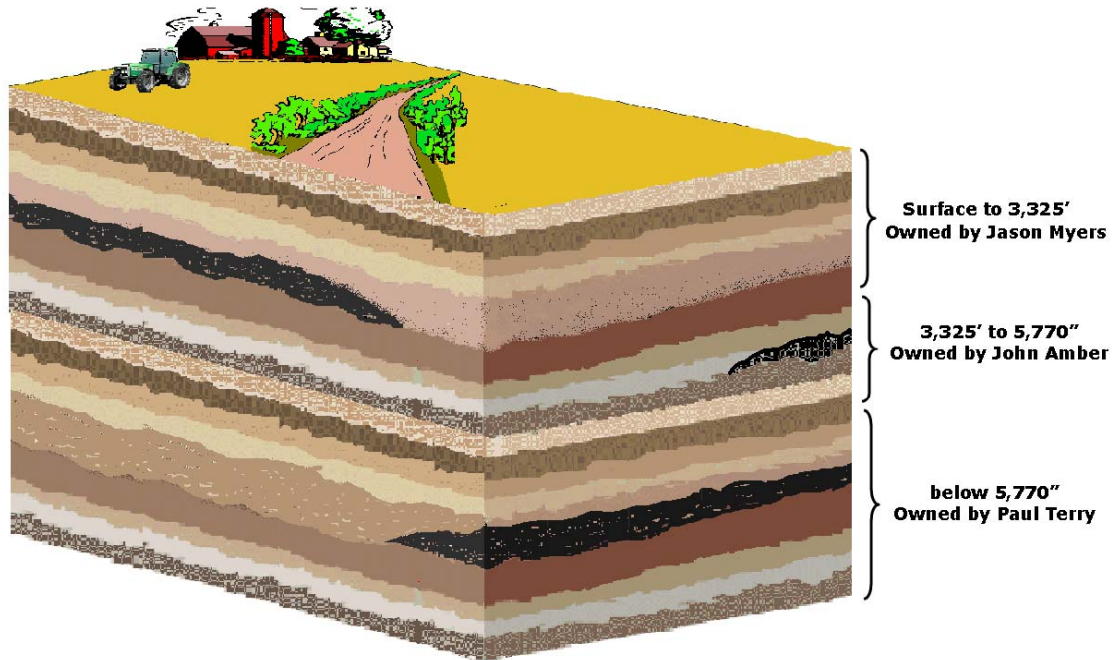
Farmer	50.000%
Bill Scott	25.000%
Widow	8.333%
Nicholas	8.333%
Gary	8.334%

Matthew Walker dies and leaves everything to his widow, Beatrice Walker.



DEPTH SEVERANCES

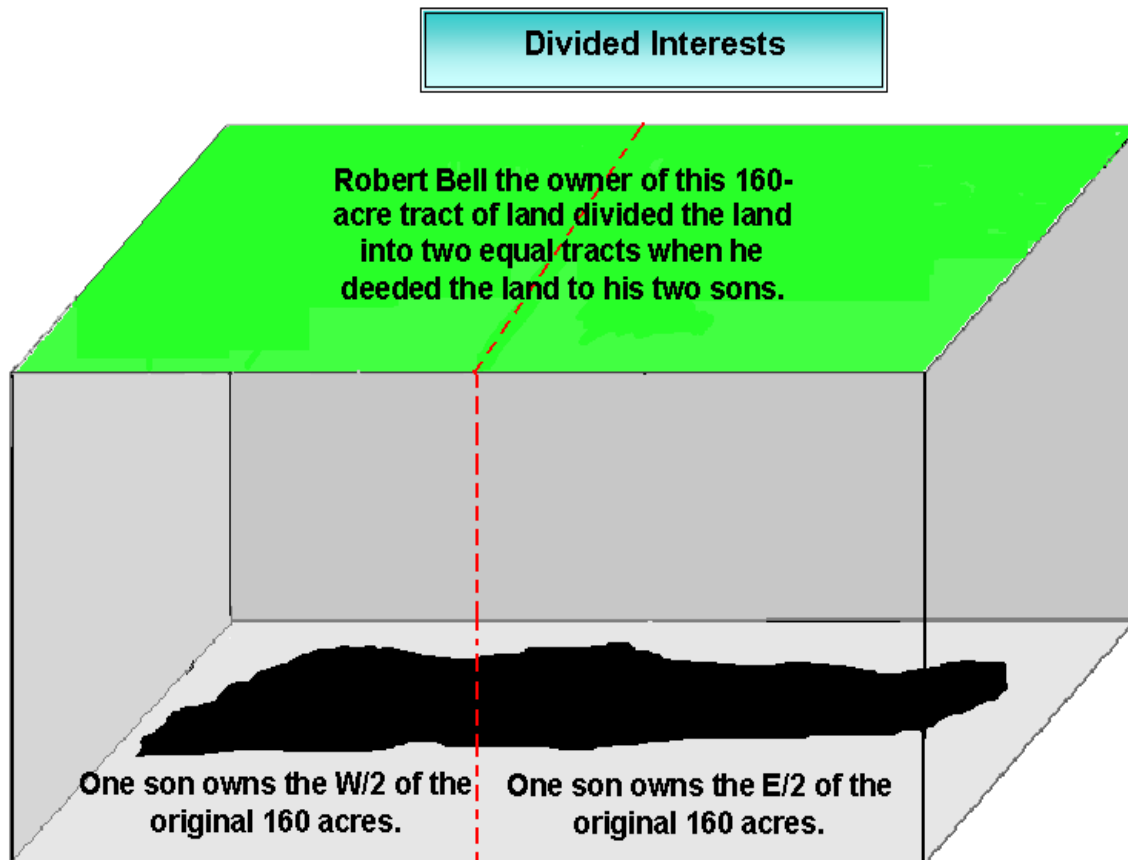
Just as a fee owner has the right to sell or give away a percentage of their entire mineral ownership, they also have the right to sever specific depths of sub-surface mineral rights. This would be considered a horizontal severance or the severing of one or more horizons from the ownership of the other horizons.



In cases like this, more than one oil company may have leased the minerals under the same tract of ground. Provision Petroleum might have leased Jason Myers as to the depths from the surface of the earth to 3,325', Sunrise Oil and Gas might have taken the lease from John Amber as to the depths from 3,325' to 5,770', and Venture Oil and Gas might have taken a lease from Paul Terry as to all depths below 5,770'.

DIVIDED MINERALS

Both surface and mineral estates can become divided in nature. Divided interests are created when a party owning a certain tract of land either conveys away a portion of the land or divides the land into smaller tracts. In the illustration, Robert Bell, the owner of all 160 acres, has divided the land into two equal tracts when he deeded the land to his two sons.

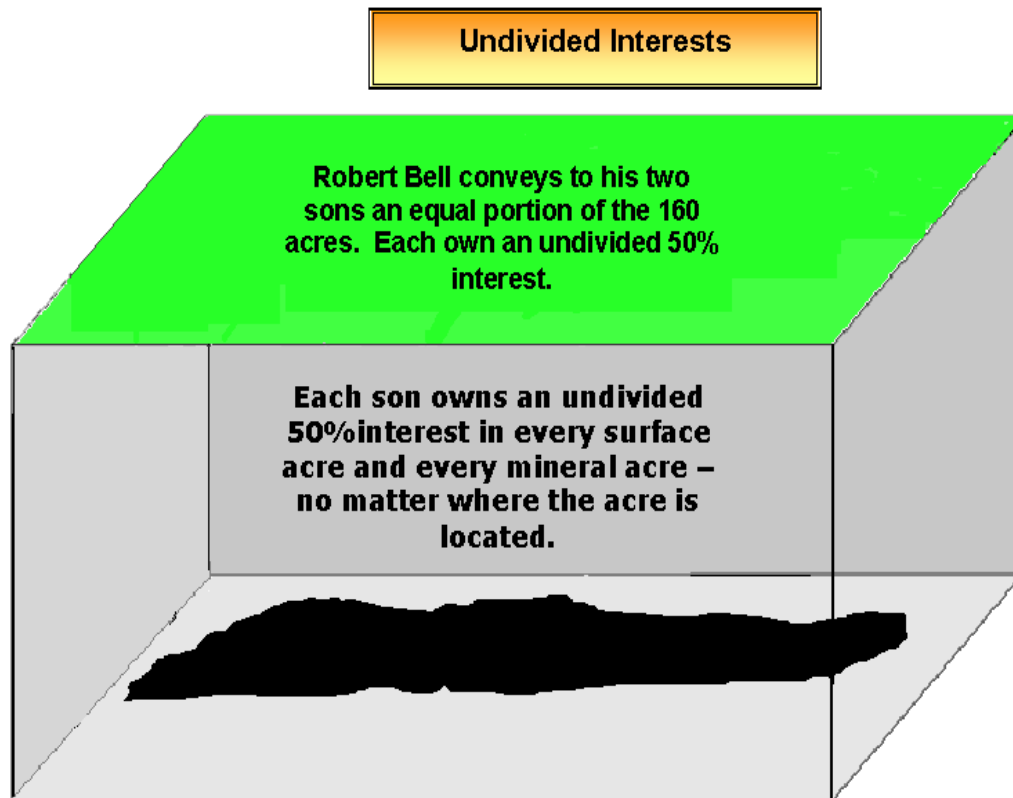


Since Robert Bell owned both the surface and minerals at the time of the conveyance, unless stipulated otherwise, both would become divided estates.

UNDIVIDED INTERESTS

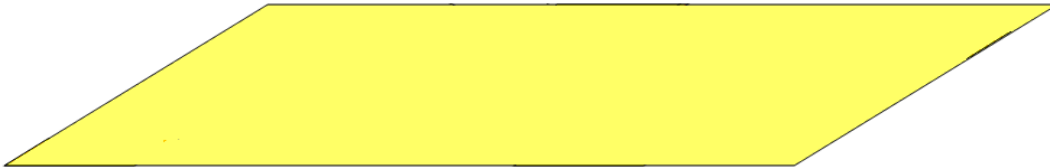
On the other hand, Robert Bell could have chosen not to divide the land into two tracts of land, but rather convey equal portions of the whole tract to his two sons. In this case the deed would create an undivided ownership.

When more than one party owns an interest in the same tract of land or minerals, they are said to be an undivided owner of the land or minerals.



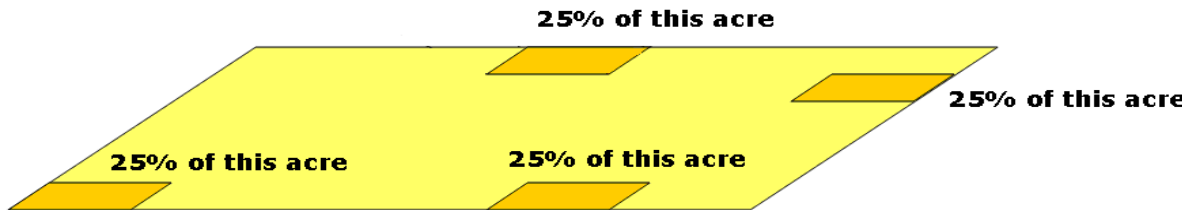
Since Robert Bell owned both the surface and minerals at the time of the conveyance, unless stipulated otherwise, both would become undivided estates.

Example 1: Adam, Beth, Carol, and David each own an undivided 25% interest in this tract of 80 acres.

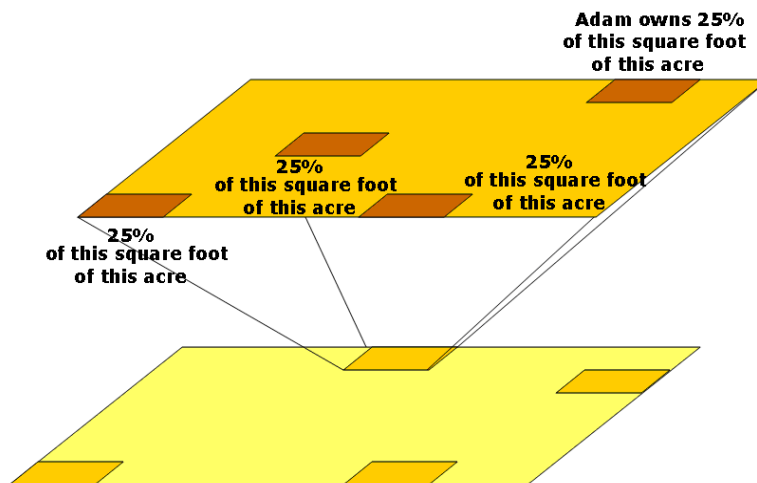


What 25% of the land does Adam own? What 25% does Beth own?

Answer: Since they each own an undivided 25% of the whole tract of land their ownership is not limited to one side of the tract of land or the other side of the tract of land. They each own 25% of every acre.



If we could enlarge one of the acres, we could ask, what 25% of this acre does Adam own?

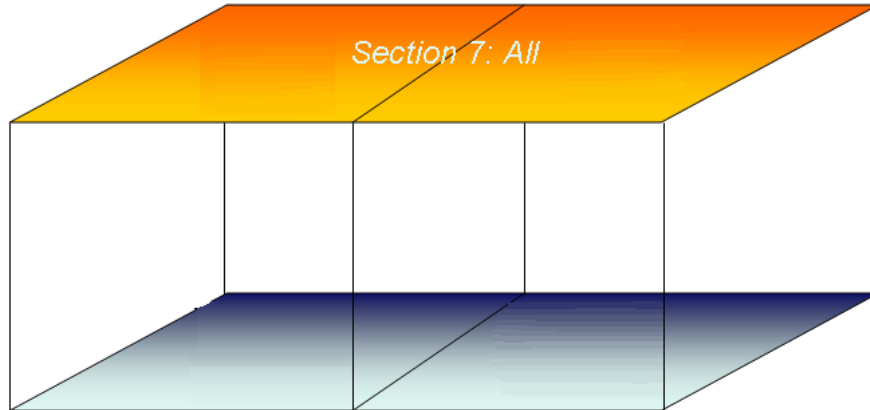


Example 2:

Cindy owns 100% of Surface and 100% of Minerals

Cindy sells 25% of Minerals to her sister Carol

Cindy sells all right, title and interest in the W/2 to her sister
Cathy



Who owns a divided interest in this Section of Land?

Who owns an undivided interest in the W/2?

DIVIDED SURFACE AND UNDIVIDED MINERAL OWNERSHIP

A third scenario could be that a father *divided* the surface estate into equal tracts of land by conveying them to his sons and created an *undivided* interest in the subsurface estate when he conveyed to each of his sons equal portions of the entire subsurface acreage. In this scenario, the surface has become divided and the subsurface has become undivided.

EXAMPLE:

A father divided his 480-acre farm into three equal tracts of land when he deeded them to his three sons, Matthew, Luke and Joshua. At the same time, the father deeded each of the sons an undivided $\frac{1}{3}^{\text{rd}}$ interest in and to all of the oil and gas minerals under the entire tract of land.



Your company has leased each of the brothers. Matthew leased for a $\frac{1}{8}^{\text{th}}$ royalty. Luke leased for a $\frac{3}{16}^{\text{th}}$ royalty and Joshua leased for a $\frac{1}{6}^{\text{th}}$ royalty. If the only well drilled was a lease well on Matthew's tract of land, how would you calculate each of the brother's royalty?

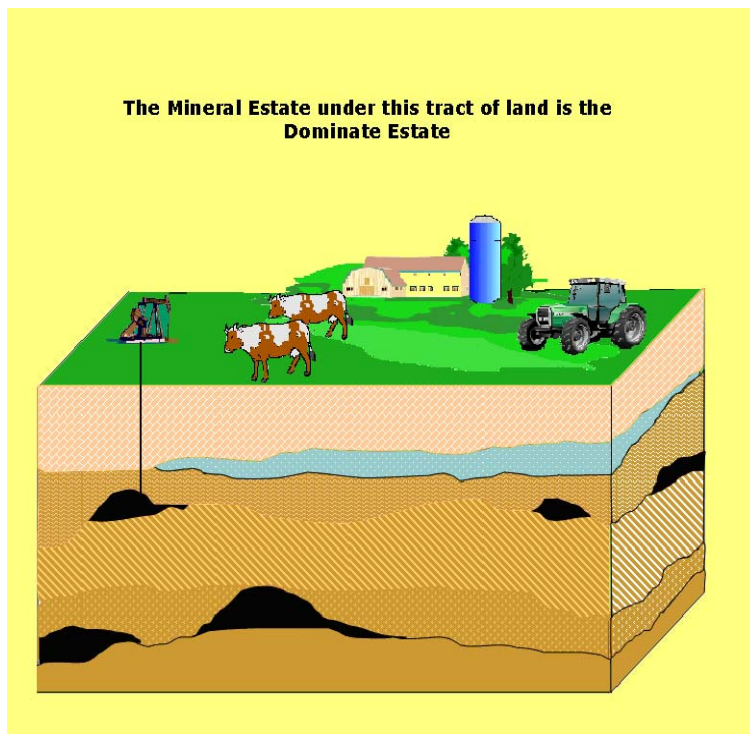
Since each brother owns an undivided $\frac{1}{3}^{\text{rd}}$ interest in the oil and gas minerals under Matthew's tract of land, when it comes time to make royalty payments on the production, each should receive the following:

Matthew	$1/3 \times 1/8^{\text{th}}$
Luke	$1/3 \times 3/16^{\text{th}}$
Joshua	$1/3 \times 1/6^{\text{th}}$

THE MINERAL ESTATE IS THE DOMINATE ESTATE

When a mineral estate is severed from the surface estate, the mineral estate is regarded as the *dominate estate*.⁵ This means that the *mineral* owner has the right to use so much of the surface as is *reasonably necessary* for the use and development of the minerals.

This might appear unfair or unjust because, after all, the surface owner (who may not own any of the minerals under the tract of land) makes his living by growing crops on the surface. Does it seem fair that the mineral owner (who may live in the *big city*) be able to tramp through the crops, build a road so that he can set up a drilling rig and then produce oil and gas for years to come? In a case like this, why would the *mineral estate* be the *dominate estate*?



The reason is simple: If the *surface estate* were the *dominate estate* and the surface owner owned no minerals, then that owner could prevent the minerals from ever being developed.

Three limitations on mineral estate dominance

1. The use of the surface area is limited to what is reasonably necessary for the development of minerals.
2. Subsurface operations must occur in a genuine and faithful manner.
3. Subsurface operations

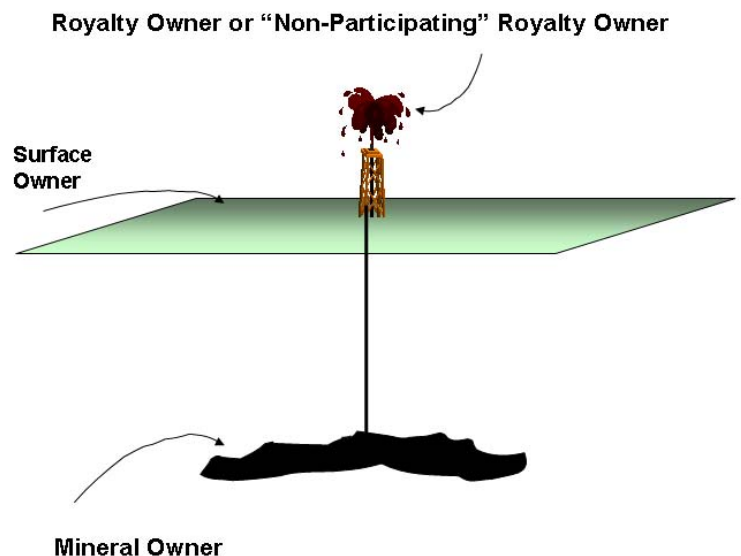
must occur with due regard for the surface owner and must accommodate the surface owner if reasonable.⁶

ROYALTY OWNER

Just as minerals can be severed from the surface owner, so the royalty or a portion of the royalty can be severed from the mineral owner. Mineral owners can convey either all or a part of the *royalty* interest in a tract of land to a non-mineral owner. Oil and gas land and land administration personnel must know the difference between a mineral owner and a royalty owner. They must also know the difference between a *royalty* conveyance and a *mineral* conveyance.

The graph depicts three types of ownership:

1. Surface Ownership
2. Mineral Ownership
3. Royalty Ownership



Royalty is nothing more than a person's ownership of a share of the revenues from the production of a producing oil and gas well. Just as an author of a best selling novel would receive a royalty check based on the sales of his or her book, a royalty owner would receive a royalty payment based on the production of a producing well.

Royalty ownership that is severed from the mineral owner can also be referred to as *nonparticipating royalty*, which means that the royalty owner does not participate in or maintain certain types of rights. These owners have no rights to lease oil and gas minerals because they own no minerals. They would not share in any bonus money when an oil and gas lease is signed, and they would not receive any delay rentals due under the terms of the lease. All they own is a royalty interest, and their piece of the pie will simply come in the form of a royalty check when there is production from a producing well.⁷

Examples:

1. A deed that reads, "1/24th of all of the oil, gas and other minerals *produced*, saved and made available for market" and continues by granting leasing, bonus and rental rights to the grantor would be considered a royalty conveyance because the deed is limiting the minerals to those that are produced. These minerals are no longer in the ground.⁸
2. A deed that reads, "1/24th of the oil, gas and other minerals in and under and that *may be produced*" would be considered a mineral conveyance because the deed is limiting the minerals to those that may be produced. These minerals are still in the ground.⁹
3. A deed that reads, "a 1/2 royalty interest," would usually be interpreted as conveying 1/2 of the royalty negotiated in the oil and gas lease rather than 1/2 of 8/8ths gross production.¹⁰

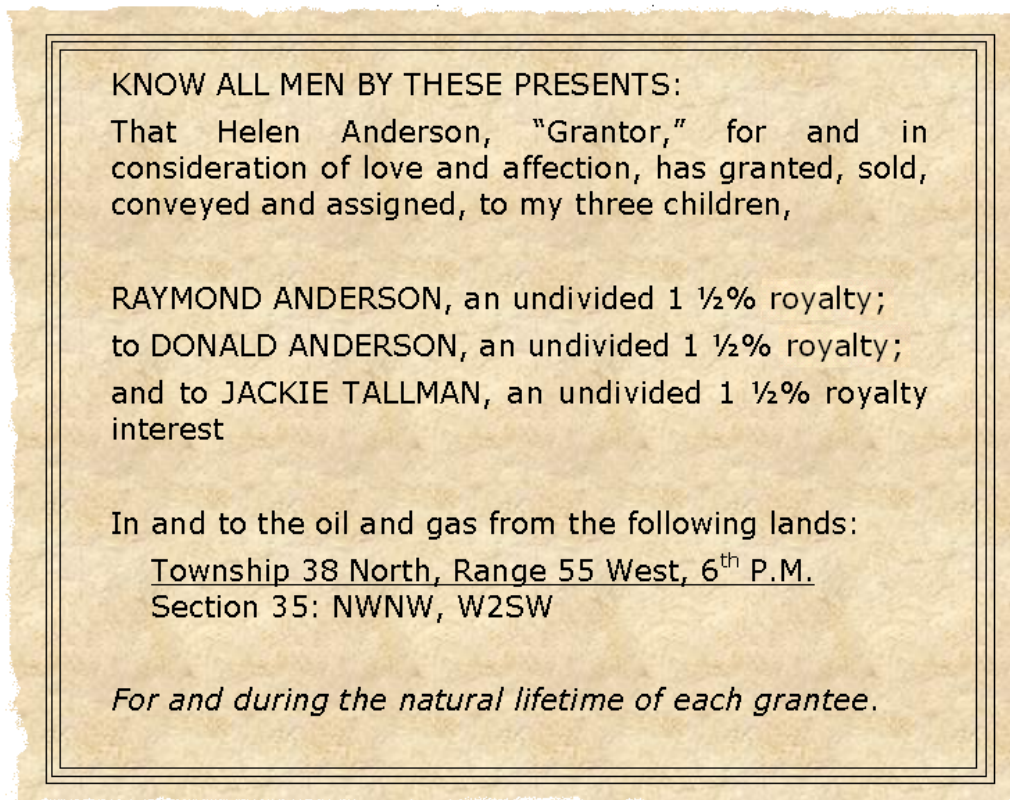
Fee owners have the capacity to create and convey any one or all of a myriad of separately identifiable interests in oil and gas under their property, including royalty interests.¹¹ These non-participating interests can be created for a set number of years, for life, or perpetual. "It is also observed that a right to royalty may be reserved or granted before any mineral lease is executed, and such right is generally termed a 'perpetual nonparticipating royalty', where no right is granted or reserved to participate in making future leases."¹² A reservation or grant of a royalty interest prior to a lease being taken on a particular tract of land "is generally termed a perpetual nonparticipating royalty, if no right is granted or reserved to participate in the making of future leases."¹³

Two types of Non-Participating Royalties:

There are two types of non-participating royalties. They are:

- a. ***Perpetual non-participating royalty*** – this royalty continues to apply under any oil and gas lease and will continue to transfer perpetual royalty interests in the described lands forever into the future unless somehow changed. This royalty is applicable to both existing and subsequent leases of the underlying mineral interests.
- b. ***Non-perpetual non-participating royalty*** – this royalty may expire at the end of a particular term, such as lease term, the end of production from a producing well, or on a given date.

Example: Below is wording from a Royalty Deed. Read the language to determine what is being conveyed.



In this case Helen Anderson, Grantor, is conveying a non-perpetual non-participating royalty interest to her three children. The conveyance limits the term on ownership "during the natural lifetime" of each grantee.

Question: If a royalty owner owns a perpetual non-participating royalty and the mineral owner signed a five-year lease which expired last month, does the royalty owner still own their royalty interest?

Yes _____

No _____

Answer: Yes, they owned a *perpetual* non-participating royalty.

Practicing this Rule

In the following example, two conveyances take place. Track the ownership from Harold Saunders to the other grantees and answer the following questions:

80-acre tract

Harold Saunders



Harold Saunders owns a 100% fee simple interest in a 80-acre tract of land.

In 1963 Harold Saunders conveyed to each of his four sons an interest in this tract of land. Each of the deeds read, "a 3.125% of all of the oil, gas and other minerals produced, saved and made available for market." The deeds went on to say that the leasing rights, bonus and rental rights were retained by the grantor.



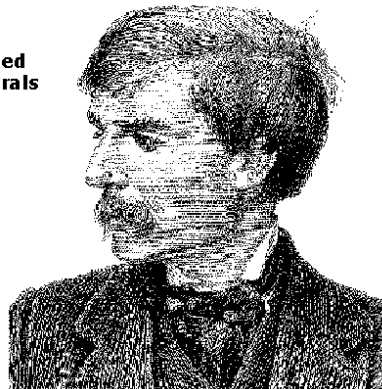
Isaac Saunders

Jessie Saunders

Kevin Saunders

Larry Saunders

In 1965 Harold Saunders conveyed to Carl Miller an interest in the tract of land. The deed read, "3.125% of the oil, gas and other minerals that may be produced".



Carl Miller

Question 1: Who owns what percentage of the minerals in this 80-acre tract of land?

Percent of Tract

Harold Saunders	
Isaac Saunders	
Jessie Saunders	
Kevin Saunders	
Larry Saunders	
Carl Miller	
Total	100%

Answer: Since Harold Saunders only conveyed non-participating royalty to his four sons, they own no percentage of the minerals in the land. Harold owns 96.875% and Carl Miller owns 3.125% of the minerals.

Question 2: If Harold Saunders sold 100% of his right, title and interest in the tract of land to Carl Miller, would the royalty interests that were conveyed to his four sons disappear? Does the royalty only burden Harold (the original mineral owner) or does the royalty burden the mineral lands themselves?

Answer: Since the royalty conveyances appear to be perpetual in nature and since Harold Saunders conveyed the royalty prior to the Carl Miller conveyance, the royalty burdens the entire tract of land. Therefore, each of the son's interests must be carved out of both Harold's lease royalty and Carl's lease royalty. Harold = 6.25% royalty; Isaac = 3.125% royalty; Jessie = 3.125% royalty; Kevin = 3.125% royalty; Larry = 3.125% royalty; and Carl = 6.25% royalty.

Question 3: If both Harold Saunders and Carl Miller had signed separate oil and gas leases with an exploration company in 2001 and each had negotiated a royalty rate of 18.75%, what royalty rate should each of the individuals receive?

Royalty Rate

Harold Saunders	
Isaac Saunders	
Jessie Saunders	
Kevin Saunders	
Larry Saunders	
Carl Miller	

Answer: Since the royalty conveyances were made prior to the Carl Miller conveyance, the royalty burdens the entire tract of land. Each of the son's interests must be carved out of both Harold's lease royalty and Carl's lease royalty. Harold = 6.25% royalty; Isaac = 3.125% royalty; Jessie = 3.125% royalty; Kevin = 3.125% royalty; Larry = 3.125% royalty; and Carl = 6.25% royalty.

SEVERING OR RESERVING MINERALS

We have seen that mineral ownership can be severed from surface ownership through conveyance. When this happens, the rules that pertain to a mineral conveyance follow the same rules that pertain to a surface conveyance. There are two instances that will allow a mineral interest to be severed from the surface ownership.

First, a surface owner can grant a mineral deed to a non-surface owner for either all or part of the minerals in a tract of land.

Study the language in this mineral deed.

MINERAL DEED

KNOW ALL MEN BY THESE PRESENTS:

THAT THOMAS B. RUTLEDGE of 146 S. Wood Street, Gamble City, South Dakota hereinafter called Grantor, for and in consideration of the sum of ten and more dollars (\$10.00) cash in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, do hereby grant, bargain, sell, convey, transfer, assign and deliver unto Josh Hardin, a single man of 7223 S. Main Street, Gamble City, South Dakota hereinafter called Grantee 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 following tract of land situated in Morgan County, South Dakota to-wit:

Township 23 North, Range 15 East
Section 15: W2

the right of ingress and egress at all times

Containing 320.00 acres more or less, together with the right of ingress and egress at all times ...

The result of this mineral deed is that the surface is still owned by Thomas B. Rutledge. All that was conveyed was a portion of the mineral ownership. The buyer, Josh Hardin now owns an undivided twenty-five percent severed mineral interest in 320 acres. Notice that Josh Hardin has the right of ingress and egress at all times. The reason is that the mineral estate is the dominate estate.

Secondly, a surface owner can sell the surface tract of land and reserve either all or a part of the minerals.

Study the warranty deed and the reservation language.

WARRANTY DEED

Know all men by these presents:

That THOMAS B. RUTLEDGE of 146 S. Wood Street,

Gamble City, South Dakota party of the first part, in consideration of the sum of ten and more dollars (\$10.00) cash in hand paid, the receipt of which is hereby acknowledged, do hereby grant, bargain, sell and convey unto Josh Hardin, a single man of 7223 S. Main Street, Gamble City, South Dakota party of the second part, the following described real property and premises situate in Morgan County, South Dakota to-wit:

an undivided fifty percent (50%) interest in and to:

Township 23 North, Range 15 East
Section 15: W2

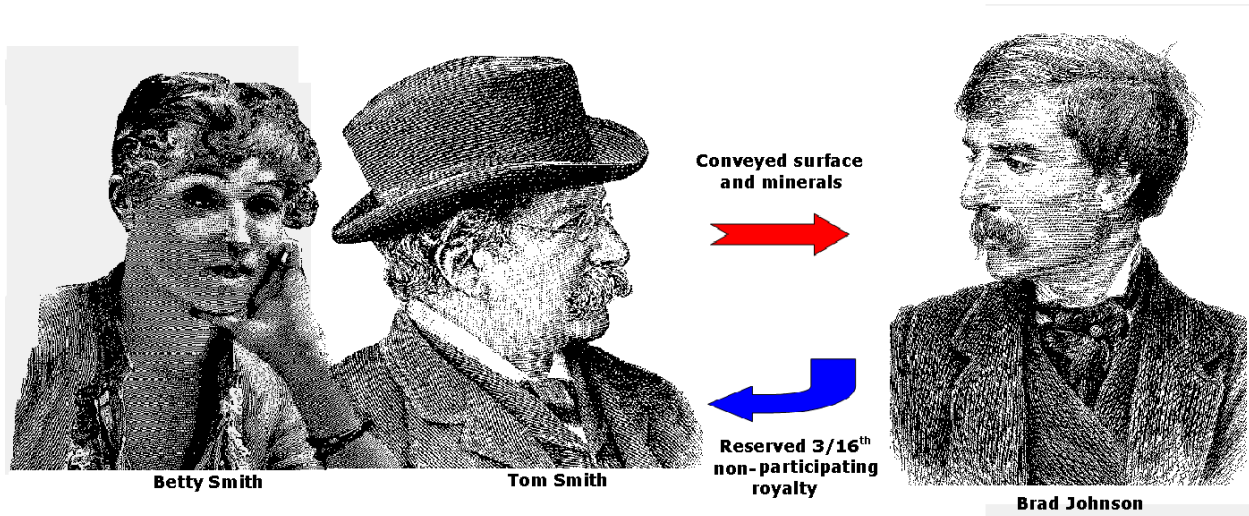
excepting and reserving, however, unto Thomas B. Rutledge, his heirs and assigns, in addition to all minerals heretofore previously reserved or conveyed, an undivided twenty-five percent (25%) interest in and to all of the oil, gas, and other minerals in and under said land.

In this case Thomas B. Rutledge conveyed an undivided 50% of the surface but reserved twenty-five (25%) of the minerals to himself.

RULE RELATED TO A STRANGER IN TITLE

It should be quite clear that if someone were selling a tract of land and wished to reserve minerals, they could only reserve the minerals that they owned. In other words they could not reserve the minerals under their neighbor's tract of land when they were selling their own tract of land.

In the same vein, Betty Smith owned, in fee simple, a certain tract of land as her separate property. She was married to Tom Smith. The tract of land was conveyed to their neighbor Brad Johnson. The deed contained the following reservation: "Excepting and reserving, however, unto Betty Smith and Tom Smith a non-participating royalty interest of three-sixteenths royalty".



It is clear that the intent was to reserve an equal share of royalties between husband and wife; however, the tract of land was Betty's separate property. None of the property belonged to Tom and he would be considered a stranger in title; therefore, none of the non-participating royalty can transfer to the husband. Betty would own all of the non-participating royalty reserved and the only way her husband could come into title would be through a specific grant from its owner. ¹⁴

FOOTNOTES

¹ U.S. Supreme Court, *Del Monte Min. & Mill. Co v. Last Chance Min. & Mill., Co.*, 171 U.S. 55 (1898).

² *Kelly v. Ohio Oil Co.*, 39 L.R.A. 765, the Supreme Court of Ohio.

³ South Texas College of Law, Student Bar Association, Oil and Gas Outline, Professor Reed, 2000 www.stcl.edu/students/sba/OilandGas.

⁴ *Carlock v. Krug*, 151 Kan. 407, 411, 99 P.2d 858, 861 (1940).

⁵ reyeslaw.com/case_mountainlakesranch.

⁶ G. Alan Perkins, "Rights and Conflicts among Surface Owners, Mineral Owners, and Lessees in Arkansas," *American Association of Professional Landmen*, (February, 2006).

⁷ Curtis D. Horne, CPL, "Title Curative for the Field Landman: A Guide to Conducting Title Curative - Primarily in the State of Texas," page 8.

⁸ *Miller v. Speed*, 245 S.W.2d 250 (Tex. Civ. App. 1952, no writ).

⁹ *Hooks v. Neill*, 21 S.W.2d 532 (Tex. Civ. App. 1929, writ ref'd).

¹⁰ George A. Snell, III, Timothy C. Dowd, Tom Daily, Greg Nibert, Rick Revles, John Sanford McDavid, "Real Property Law/Oil and Gas Law," National Association of Lease and Title Analysts Certification Manual, (July 2005), page 3-9.

¹¹ *Williams v. Watt*, [668 P.2d 620](#), 624 (Wyo. 1983); *Bensinger v. Scott*, [625 P.2d 775](#), 777 (Wyo. 1981).

¹² *Oregon Basin Oil & Gas Co. v. Ohio Oil Co.*, 70 Wyo. 263, 275, [248 P.2d 198](#), 203 (1952).

¹³ Silas R. Lyman, Note, *Creation of Royalties Prior to Leasing*, 13 Wyo. L.J. 244, 246-47 (1959) (citing *Denver Joint Stock Land Bank of Denver v. Dixon*, 57 Wyo. 523, [122 P.2d 844](#) (1942)).

¹⁴ George A. Snell, III, Timothy C. Dowd, Tom Daily, Greg Nibert, Rick Revles, John Sanford McDavid, "Real Property Law/Oil and Gas Law," National Association of Lease and Title Analysts Certification Manual, (July 2005), page 3-10.