



# Ownership Rights

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# Fee Simple

**Entirety - Surface and Mineral Estates Are Together**

**Severed – Surface Estate and Mineral Estate Are Separated**

**Mineral Estate Is Dominant**

**Title Insurance Issues**

# Mineral Severance

## Mineral Deed Grant

Grantor → Minerals Conveyed → Grantee  
Surface Reserved

## Mineral Deed Reservation

Grantor → Surface Conveyed → Grantee  
Minerals Reserved

## Mineral Lease

Lessor → Minerals Leased/Conveyed → Lessee  
Reverter/Royalties

# Permitted Activities of Mineral Owner

- Choose proper locations for surface operations
- Conducting exploration, drilling and production operations
- Build roads
- Conduct seismic testing
- Use water for drilling and recovery operations
- Lay pipeline

# Common Law Limitations on Mineral Owner

- Must exercise ordinary care (non-negligent) be reasonable and not excessive
- Accommodation Doctrine
- Surface Damage Agreements Often Used

# Contractual Limitations on Mineral Owner

- Surface Waivers
- Surface Use Agreements
  - Water Protection
  - Water Wells
  - Salt Water
  - Fences
  - Construction and Maintenance of Roads
  - Drill Sites
  - Location of Drill/Well Sites, Pipelines and Other Equipment
  - Seismographic Operations
  - Erosion Control
  - Damages
  - Livestock
  - Screening

# Attributes of Mineral Estate

- The right to develop (the right of ingress and egress)
- The right to lease (the executive right)
- The right to receive bonus payments
- The right to receive delay rentals
- The right to receive royalty payments

# Divided Ownership

- Co-Tenants
- Successive Ownership Interest
- Fee Simple Determinable

# Royalties

- Landowner's
- Non-Participating  
(fractional v. fraction of royalty)
- Overriding

# Right to Develop/Right to Lease

- Working Interest
- Executory Rights

# Assignments (Conveyances)

- Statute of Frauds
- Recording
- All attributes unless contrary intent expressed
- Mineral v. Royalty Deeds
- Outstanding Royalty Interests
- Outstanding Mineral Interests