

MINERAL RIGHTS

The Basics

In Colorado mineral rights can exist as a separate estate, treated independently of the ownership of the surface estate. Owners of land in Colorado can sever some or all, of the mineral estate from the surface estate. Likewise, federal and state governments may have reserved some or all, of the mineral estate when property was first granted into private ownership.

If there is a severance of the mineral estate on record at the clerk and recorder's office for the county where the property is located, then the title commitment will show the severance of the mineral estate via the deed or other instruments creating the separate mineral estate. In addition, the following disclosure will be provided on the title commitment:



NOTE: SHOULD THE TITLE SEARCH AND EXAMINATION DISCLOSE A SEVERANCE OF THE MINERAL ESTATE FROM THE SURFACE ESTATE, THE FOLLOWING WILL BE ADDED TO SCHEDULE B - SECTION 2 EXCEPTIONS: THERE IS RECORDED EVIDENCE THAT ONE OR MORE MINERAL ESTATES HAS BEEN SEVERED, LEASED OR OTHERWISE CONVEYED FROM THE SURFACE ESTATE OF THE SUBJECT PROPERTY DESCRIBED IN SCHEDULE A OF THIS COMMITMENT, AND THERE IS A SUBSTANTIAL LIKELIHOOD THAT A THIRD PARTY HOLDS SOME OR ALL OF THE OWNERSHIP INTEREST IN OIL, GAS OR OTHER MINERALS OR GEOTHERMAL ENERGY IN THE SUBJECT PROPERTY. SUCH MINERAL ESTATE MAY INCLUDE THE RIGHT TO ENTER AND USE THE SURFACE OF SUBJECT PROPERTY WITHOUT THE SURFACE OWNER'S PERMISSION.

It is important to note that after severance, the mineral estate may be sold separately from the surface estate and the title commitment will not show the current holder of the severed mineral estate. Obtaining information on the current holder of the severed mineral estate may require a separate search of the records of other federal and state departments, not merely a search of the county land records house in the clerk and recorder's office. Owners of property unsure of the status of mineral estate ownership should contact a real estate attorney who specializes in this area of law.

ADDITIONAL QUESTIONS?
Contact your Account Manager!