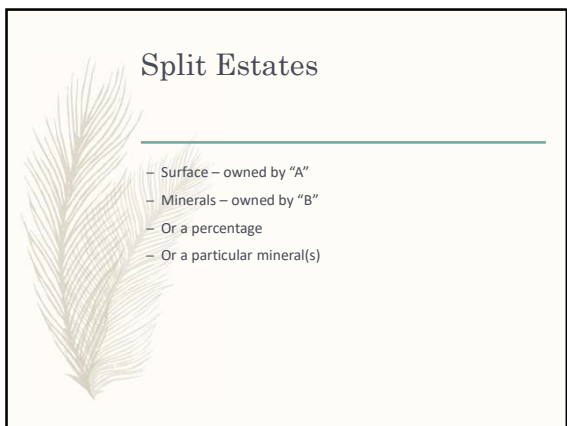




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How did the Minerals become severed

- Federal Government
- State of Montana
- Railroad Companies
- Private individuals


4



Montana Minerals:

- Owns 6,224,202 Mineral Acres
- That is 6.5% of the total acreage
- Minerals – oil, gas, coal, other minerals
- It varies from parcel to parcel


5



Federal Minerals Montana

- Owns 37,787,318 Mineral Acres
- That is 40% of total acreage
- Minerals – oil, gas, coal, other minerals
- It varies from parcel to parcel

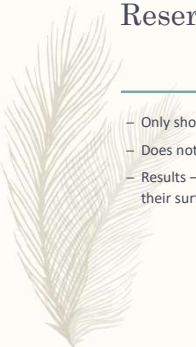
6



State of Montana and the Federal Government control

- Approximately
- 46.5%
- of all mineral acreage

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Reservation

- Only shows in the document that it is in.
- Does not have to show in any foreword documents
- Results – no one knows who owns Minerals under or on their surface

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Finding the Mineral Owner

- Mineral Ownership Search of the recorded records in the County.
- Start at beginning of time
- Can not find mineral owner
- Montana does have a process where the district court of the county of minerals may declare a trust in favor of the unknown un-locatable mineral owner(s).


9



What did the reservation reserve?

- The reservation: may only have reserve – Oil, Gas, Coal, Other Minerals, All Minerals
- What percentage?
- Percent of what mineral
- Percent will become smaller as time passes

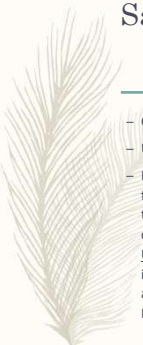
10



Mineral ???

- Term is ambiguous
- Strict definition – naturally-occurring inorganic substance
- That leaves out Oil, Gas, Coal, etc.
- Now covers most anything

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Sand /Gravel

- Common Varieties Act of 1955 removed
- Unless Sand was 99% pure
- Now - Watt v. Western Nuclear, Inc., 462 US 36 (1983): "Gravel found on lands patented under the SRHA is a mineral reserved to the United States [which] can be removed from the soil and can be used for commercial purposes..." then Bedrock Lid v. U.S., 46 US 35 (2004), the Supreme Court seemingly reversed its decision in Watt v. Western Nuclear and found that sand and gravel do not fall within the mineral reservation of the Pittman Underground Water Act of 1919.


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Surface/ Mineral Owner

- Mineral owner is the dominant estate
- Mineral owner's use of the surface must be reasonable.
- Mineral owner has the right to cross other lands where they do not own the minerals.
- This right must be related exclusively to the development of minerals beneath that surface
- Oil & Gas owners do not have that right.

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State of Montana

- Patent from the State – they reserved all minerals
- Only way to acquire the Minerals - Lease

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Federal Minerals

- Locatable, Leasable, Sale
- Locatable – gold, silver, fluorspar, limestone, etc.
- Leasable- oil, gas coal, etc.
- Salable – sand, gravel, stone, etc.

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Locatable

- Unpatented Mining Claim
- Has certain procedures to follow.
- Have only the right to the mineral
- Must be a citizen of the United States or a corporation organized under State laws
- Lode Claim
- Placer Claim
- Mill Site

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Unpatented Claim

- layout

LODE MINING CLAIM
Requirements and instructions for filing a mining claim on Federal land under the General Mining Law of 1872. The claimant must be a citizen of the United States or a corporation organized under State laws. The claim must be located on Federal land. The claimant must file a location statement with the BLM and pay the required fee. The claimant must also file a map of the claim with the BLM. The claimant must also file a copy of the location statement with the county clerk of the county in which the claim is located. The claimant must also file a copy of the location statement with the county clerk of the county in which the claim is located. The claimant must also file a copy of the location statement with the county clerk of the county in which the claim is located.

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Access Unpatented

- Unpatented claim can only be located on Federal Minerals
- If someone other than the Federal Government owns the surface
- Surface owner has to be notified and the BLM
- An agreement has to be worked out between the Surface owner and locator
- No Agreement – BLM will require a Bond

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Patented Claim

- A patent was issued, private land
- Title search has to start when it was an unpatented claim
- Usually 600 feet by 1500 feet – 20 acres

Most likely no legal access

Once the mineral owners are located an agreement will be made.

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