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Drilling Down Oil, Gas and Minerals

In today's course, we will review definitions of the surface estate and the mineral estate along with other considerations that may impact the issuance of title insurance policies. Will discuss affirmative coverage of damage to the surface by the owner of the mineral rights. This course is NOT a review or presentation on Montana Mineral or mining Laws but is specific to how this interest is understood and underwritten in relation to the coverages provided under the title insurance policy and endorsements. **(1 Hour)**

1. Introduction

- a. Basic legal principles

- b. Issues to consider when asked to insure oil, gas, or mineral rights

2. Course Topics

- a. Surface Estate v. Mineral Estate
 - i. Fee simple ownership

 - ii. Mineral Deed

 - iii. General Warranty Deed

 - iv. Leasehold

 - v. Split Estate

- b. What is a Mineral
 - i. No clear definition

 - ii. Montana oil and gas activity

- c. Mineral estate surface rights
 - i. O&G – MCA 82-10-504; 82-10-505

 - ii. Laws are helpful to underwrite surface damage coverage

- d. Title Insurance and Subsurface Interests
 - i. Underwriting subsurface interests

 - ii. By specific Schedule B exception

 - iii. By legal description (less and except from description)

 - iv. By general exceptions #5 and #7

 - v. No exception means you are insuring they own the minerals

- e. Surface Damage Coverage
 - i. Why do we care about minerals?

 - ii. Damage to certain improvements for the extraction of minerals excepted from the description of the Land or excepted in Schedule B.

 - iii. Expanded coverage policies

 - iv. Endorsement coverage

