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NOTICE: To the Heirs of Spanish & Mexican Land Grants
RE: Spanish land grant descendants continue to pursue mineral rights compensation
KRISTEN MOSBRUCKER | STAFF WRITER | The Monitor

GRANJENO — Mineral rights proceeds from oil and natural gas companies is one benefit that’s been passed down by generations of landowners across South Texas, even decades after drillers have dug deep across its vast ranchlands and installed pipelines that stretch across county lines. But some who said they are descendants of centuries-old Spanish and Mexican land grants argue they haven’t gotten their fair share.

“This little ranch right here — that’s all they left us,” said Yolanda Anzaldua Martinez, 68, of Granjeno, as she strode across the street pointing to 3 acres of grass left from the nearly 18,000 acres promised in a Spanish land grant from 1767. The Anzaldua family was initially not included when the land was further divided in 1891 and affirmed by the Texas Supreme Court, according to the abstract of title compiled by the Bankers Trust Company. But Martinez said her father was and now her sister is able to continue living on the Spanish land grant property because it was bought back from another family. “He re-purchased some of his own property because in this partition they left him out,” she said. Martinez is one of thousands of people seeking unclaimed mineral rights money in accordance with her family’s ties to the land grant.

ILLEGITIMATE CLAIMS?

These land grants are not eligible to prove current ownership of the land, nor mineral rights according to the Texas Comptroller’s office. As a result, none of the unclaimed mineral rights money has been doled out through the “Claim it” program, because officials said none of the names matched.

The Comptroller’s office reported only \$609 million in total of unclaimed mineral proceeds have been recorded to date, and \$205 million has been returned to the rightful owner across Texas. Furthermore, only \$666,067.66 across 441 properties was reported without identifying information, or less than 1 percent.

After being contacted by constituents in his district about the land grants issue, in 2011 State Rep. Ryan Guillen, D-Rio Grande City, authored HB 77 — a bill that would have divided any unclaimed mineral rights proceeds among descendants Spanish and Mexican land grantees. “It’s a very difficult issue,” Guillen said of the complex history of land ownership in South Texas. A major shift came after the Texas Constitution was formed in 1866 — which meant all current owners of the surface of land suddenly became mineral rights owners, tying ownership to land above and below the earth’s crust for the first time. “Land grantees that were given land

before 1866 when they either sold their property, gave it away, or had it stolen from them in some cases lost mineral rights,” Guillen said. As a result, the royalty payments have been doled out to current owners for decades. But the majority of unclaimed mineral rights money already had identifying information, including social security numbers of current owners. The method for dividing up the total pot available in a fair manner was also a challenge and as a result, the bill didn’t leave the state House Business and Industry committee.

“I think the vast majority of the property that we’re talking about here is already in someone else’s hands and all these years (they) have received those mineral interests,” he said. In 2013, Guillen authored HB 724, which formed a commission charged to study the issue and make recommendations on how to address the unique issue many families face in the Texas-Mexico border region. A commission of more than a dozen individuals, mostly appointed by then-Gov. Rick Perry, reviewed the program — and only unclaimed mineral proceeds that have already been reported to the Comptroller’s office were considered — and a final report was released in January.

LONGTIME MISTRUST

During the 2014 fiscal year, split between hundreds of residents in Hidalgo County, only \$1.8 million of unclaimed money was on file across all categories such as property tax refunds, or leftover security deposit boxes and mineral rights proceeds. For the same time period, more than \$82,000 distributed to residents of Starr County and \$1.7 million in Cameron County.

“We will pay one penny if (a legitimate claim) is reported to us,” said Frances Torres, director of the state comptroller office’s unclaimed property program about the lengths the organization has gone for thousands of claimants. Torres said her office has scoured its records for the Spanish land grantees’ names. But none match unclaimed mineral proceeds, which account for less than 10 percent of the claims. Most of the unclaimed property related money has a clear ownership details like a Social Security number and home address.

“The vast majority of our unclaimed property has significant identifying information,” Torres said. “Oil and gas companies report mineral proceeds, if they lose contact with the owner or they’ve never been able to make contact with the owner, we receive that information, too.” Local landowners claim the lack of payment stems from what they described as longtime injustices against Hispanics in the region.

“We need to change the laws, we need to get compensated for what we lost, one way or another,” said Nicholas Balli, 72, of McAllen. Balli said he’s an heir of Juan Jose Ballí, who was granted the San Salvador de Tulle area, which includes property from McAllen to San Manuel that includes Sal Del Rey, a naturally occurring salt lake 20 miles north of Edinburg.

“I know it’s too late to get our lands back because thousands of people are living on them and the minerals are already taken,” he said. “But by law, it still should belong to us.” Some of the heirs suggested that local counties across Texas are holding onto receivership of billions of unclaimed mineral rights, but the state disputes the allegation.

Over the past decade, only \$5 million in unclaimed mineral rights proceeds have been recorded and sent to the comptroller, according to state officials, who described such instances as “rare”

occurrences. Such deep mistrust of the entire process continues, as some property owners today are wary when approached by oil and gas operators, looking to sign new leases. “I didn’t sign, they were trying to make us all sign, when they drilled here north of Granjeno,” Martinez said of a company that approached she and her family about agreeing to a percentage of mineral rights about six years ago. The reason, Martinez said, was that she didn’t hire a lawyer and wanted to prevent further problems. “Because I knew they were going to screw us, you have to be very careful when you read a lease,” she said. “It’s happened to a lot of land grantees that are in our group, and they sign something where they only get a very small portion and didn’t hire a lawyer.”

MOVING FORWARD

But oil and gas operators were also a part of the commission process and noted that changes to the reporting process are possible. A representative of the Texas Oil and Gas Association presented a letter on behalf of Deb Mamula, the executive vice president of the organization, describing the industry’s efforts as of 2013. “More than 500 oil and gas operators deliver unclaimed property on behalf of thousands of owners to the state each year,” Mamula wrote about payments that surpassed \$60 million in 2013.

While mineral right proceeds are recorded as being “owner-centric,” rather than include more detailed property information, the association said information system changes would be “feasible” for the operators. Several other recommendations were made by the commission ranging from a suggestion that would require oil company holders to report the more detailed information based on the property, including GPS locations of wells when submitting unclaimed mineral rights to a possible separate process for proceeds derived within areas of Spanish and Mexican land grants. Or that another committee would be established to address possible mistreatment of landowners.

If it’s going to actually locate each well in each land grant by abstract number and GPS location so they’ll know where they are drilling, then if there’s any unclaimed property there they’ll find out right away, Martinez said about one of the suggestions. Guillen said his office is drafting three bills for the current legislative session — one would require oil and gas companies to provide more specific property information such as location of wells and another that addresses receiverships through local counties. “That was the reason for the commission, I knew that there was a problem with the information that we have attached to each property, it’s just not sufficient,” he said. “I’m hoping we can get that passed.” Guillen said a third bill he expects to file was not based on the committee’s findings, but an alternative to reparations for heirs of Spanish and Mexican land grants.

A permanent scholarship fund administered by the Texas Higher Education Coordinating Board would use any remaining money from the comptroller for unclaimed and unidentifiable mineral rights for descendants of Spanish and Mexican land grantees. But that doesn’t mean it necessarily will be a smooth process without opposition. “These hearings throughout this past year were very heated in many cases, so there’s more attention on this subject that we’ve had before so we are probably going to have stronger opinions than we did prior all of these hearings,” Guillen said. If you have any questions about this article contact Kristen via email:

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The (8th) and last meeting on Texas House Bill -724 on Unclaimed Mineral Proceeds Commission was held on December 19, 2014 at the Texas State Capitol Auditorium. The hearing was broadcast live and archived. Below is the link to the broadcast:

<http://www.house.state.tx.us/video-audio/capitol-events/>

A commission of more than a dozen individuals, mostly appointed by then-Gov. Rick Perry, reviewed the program — and only unclaimed mineral proceeds that have already been reported to the Comptroller's office were considered — and a final report was released in January. Below is the link to the **final report** to Texas House Bill -724 on Unclaimed Mineral Proceeds:

<http://www.glo.texas.gov/GLO/documents/administration/UMPC-Final-Report-2014.pdf>

Sincerely,
Fred Balli