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February 07, 2022

NOTICE: To the Heirs of Spanish & Mexican Land Grants **RE:** Mineral Rights & Update from VOCN & the COALITION Leaders



Mineral Rights by Spanish Land Grant Heirs

What property owners should know.

Since 1876, it has been assumed that a grantee of land from the sovereign has received all minerals unless they are expressly reserved. Since 1895 substantial acreage of the public domain has been conveyed by the sovereign with retention of rights to the minerals. Under the Relinquishment Act of 1919, as subsequently amended, the surface owner is made the agent of the state for the leasing of such lands, and both the surface owner and the state receive a fractional interest in the proceeds of the leasing and production of minerals. A considerable portion of the land of the state has been allocated to various educational and eleemosynary institutions, some of which have not been sold but merely leased for mineral development.

The extent that a landowner also owns the minerals in his tract, he may legally sever such minerals from the surface estates. The owner of the minerals may produce them himself. The usual practice, however, is for a lease to be executed by the mineral owner to an operator who undertakes to develop the minerals. Although several lease forms are in use, their provisions are generally uniform; the significance of the variant provisions is not to be minimized, however. Typically, under a lease the operator assumes all expenses of operations to develop the mineral resources in return for a conveyance of 7/8 interest in them; the landowner or lessor retains 1/8 interest-free and clear of all costs. This interest of the mineral owner or lessor is what is correctly known as royalty, although the term is sometimes more loosely used to describe an undivided interest in minerals arising out of an instrument other than a mineral lease.

Legally, oil and gas are minerals. About 2/3 of the 254 counties in Texas produce oil. About 54,000,000 acres of land in the state were under oil and gas lease in 1947. Since the mid-1950s oil and gas royalties have increased. The basic royalty on oil and gas was increased from 1/8 to 1/6 by the public school and other state land boards in 1955 and by the Board for Lease of University Lands in 1960 on gas and in 1961 on oil. The practice of overriding royalties being utilized as a portion of leasing and development promotion fees in the oil and gas industry, in amounts ranging from 1/32 to 1/4, has increasingly become a common practice. By 1995 royalties for state-run lands of the Permanent School Fund had a minimum standard of 6.25 percent of the gross value. Royalties in Texas, however, are usually negotiable and depend on a number of factors, including the type of mineral and deposit.

Update:

The Texas State comptroller is sponsoring free unclaimed property webinars but we checked it for businesses and oil companies on how to report. It's just the same old boring information that has nothing to do with us being able to make claims against our unclaimed properties.

We believe we will have success in finding the right attorney who will help us, as both the Coalition Leaders and our network are actively seeking qualified law firms. We believe it will be in our best interest to vet them (see if they are qualified for the job).

Our new full-page newspaper ad initiative is also gaining speed, as we are documenting everything that supports our case. You will be hearing about this soon, as we need to get this project off and into the hands of the news media and social media.

Thank you for your patience and support, VOCN & the COALITION Leaders

Please stay tune, stay safe, stay connected and let us know how you can help.

"We cannot always expect justice to prevail but we must never cease to seek it."

Respectfully, Federico Blanco Balli