



Question: My Realtor just told me that the property I am purchasing does not pass mineral rights. What does this mean?

Carole Bullion

To answer this question we must first understand what the term "mineral rights" means:

A mineral right is "a right to extract a mineral from the earth or to receive payment, in the form of royalty for the extraction of minerals".

"Mineral" may have different meanings but generally include:

Fossil fuels: oil, natural gas and coal, Metals such as: Gold, copper, iron, nickel, zinc. Non-metallic minerals such as: gypsum, building stone and salt. Mineral may also include sand, gravel and peat.

In the United States and a few other countries, ownership of mineral resources was originally granted to the individuals or organizations that owned the surface. These property owners had both "surface rights" and "mineral rights." This complete private ownership is known as a "fee simple estate."

Mineral Rights transfer during a sale of real property to the purchaser unless the rights are retained by the current or prior owner - in your case, some or all of the rights have been retained. That means that OTHERS HAVE RIGHTS TO YOUR PROPERTY and you need to understand how their rights affect your rights as a property owner.

A person may own ALL or a fraction of mineral rights on a parcel. A person may also own rights to only one kind of mineral, such as oil and gas or to only one formation or depth interval. In order for a determination of mineral ownership to be made - documents in the chain of title need to be examined to see if any retention documents (or deeds retaining mineral rights) are recorded. These documents should be carefully examined by the purchaser and their attorney to see what rights others may have with regards to minerals. These documents can be very complex and you want to know for sure what effect this has on your property!

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