The University of Texas School of Law The Oil, Gas, and Energy Resources Law Section

2019 RENEWABLE ENERGY LAW CONFERENCE

BEST PRACTICES FOR SOLAR DEVELOPMENT IN RESOLVING MINERAL ESTATE ISSUES

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WHAT ARE SEVERED MINERALS?

- What rights are minerals? depends on state, who reserves
- In Texas, minerals:
 - DO <u>NOT</u> INCLUDE: water, sand, gravel, or clay
 - INCLUDE: oil; gas; sulfur; gold; salt; uranium; coal or iron or lignite (if not near surface)

WHAT DIFFERENCE DOES IT MAKE WHETHER A MINERAL?

- It does not matter how characterized (for ownership), if it is reserved or separately conveyed
- Assume that any severed interests have rights to use the surface (unless properly waived)

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RIGHT OF MINERAL OWNER TO USE AS MUCH OF LAND AS NECESSARY

Ball v. Dillard

MINERAL RIGHTS ARE DOMINANT ESTATE



Davis v. Devon Energy Production Company, LP

- Even though use of the surface may increase the surface owner's costs
- Provided it will not destroy the surface owner's ability to conduct a profitable farming operation

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RIGHT OF MINERAL OWNER (DOMINANT ESTATE) TO USE SURFACE OF UNITIZED PROPERTIES

Delhi Gas Pipeline Corporation v. Dixon

- Use for pipeline
- Same rights—so much of surface as reasonably necessary for production on other land
 Key Operating & Equipment, Inc. v. Hegar
- Use of road over pooled 1/16 mineral interest

POOLING IS WILD CARD; DO NOT ASSUME SMALL PERCENTAGES CAN ALWAYS BE DISREGARDED





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<u>Answer Bar: Navigating a Renewable Energy Project</u>

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