



Texas General Land Office
George P. Bush, Commissioner

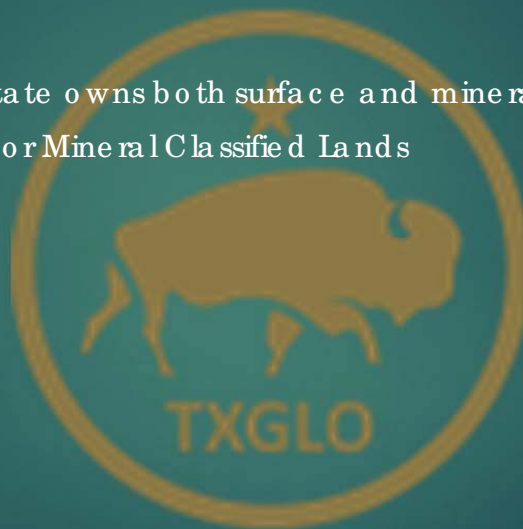
Classification of State Lands, and How
Recent Trends in Field Rules Have Impacted
the State Lease

Mark A. Havens
Chief Clerk & Deputy Land Commissioner

Mark A. Havens - Texas General Land
Office

State Lands

- ▶ State Fee Lands – State owns both surface and mineral estate
- ▶ Relinquishment Act or Mineral Classified Lands
- ▶ Free Royalty tracts



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Debt vs. Land



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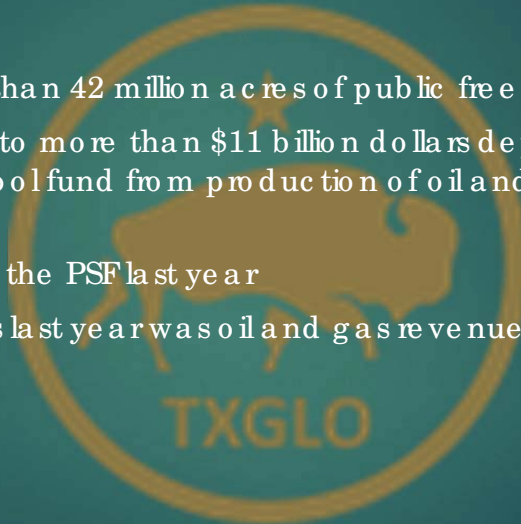
Texas Constitution of 1876

- ▶ Two important provisions regarding mineral reservations
- ▶ First – Article VII, Section 2: Creation of the PSF
 - ▶ All funds, lands and other property heretofore set apart and appropriated for the support of public schools; all the alternate sections of land reserved by the State out of grants heretofore made or that may hereafter be made to railroads, or other corporations, or any nature whatsoever; one-half of the public domain of the State, and all sums of money that may come to the State from the sale of any portion of the same, shall constitute a perpetual public school fund

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Permanent School Fund

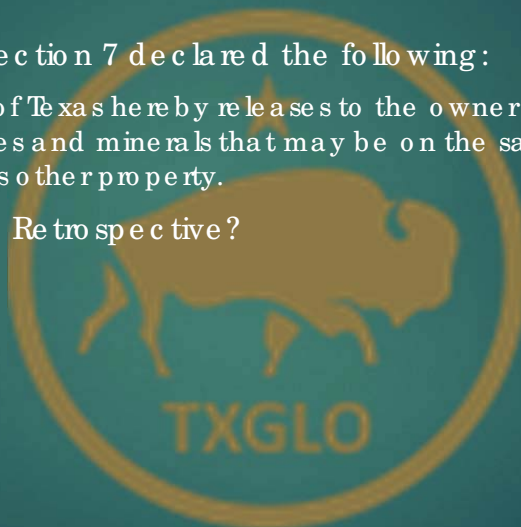
- ▶ This set aside more than 42 million acres of public free school land
- ▶ Today, that has led to more than \$11 billion dollars deposited into the permanent school fund from production of oil and gas on state lands.
- ▶ \$2 Billion dollars into the PSF last year
- ▶ Over a Billion dollars last year was oil and gas revenue



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Give it Away

- ▶ Article XIV, Section 7 declared the following:
 - ▶ The State of Texas hereby releases to the owner or owners of the soil all mines and minerals that may be on the same, subject to taxation as other property.
- ▶ Prospective? Retrospective?



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First appeared as part of the conference materials for the
2018 Fundamentals of Oil, Gas and Mineral Law session

"Understanding Revisions to The Texas General Land Office Lease Form"