

# *LEASING STATE-OWNED MINERAL ESTATE*

- ❖ PROCEDURES VARY DEPENDING ON
  - TYPE OF STATE OWNERSHIP
  - AGENCY INVOLVED

# *TYPES OF MINERAL OWNERSHIP*

- ❖ PERMANENT SCHOOL FUND (PSF)
  - ACRES: 14 MILLION
- ❖ OTHER STATE ENTITIES
  - ACRES: 2.6 MILLION

# *TYPES OF MINERAL OWNERSHIP*

## ❖ PERMANENT SCHOOL FUND

### – FEE

- PSF OWNS MINERAL & SURFACE ESTATES
- ACRES: 5.8 MILLION

### – MINERAL CLASSIFIED- RELINQUISHMENT ACT LANDS (RAL)

- PSF OWNS 100% OF MINERAL ESTATE & HAS SOLD THE SURFACE ESTATE
- ACRES: 6.4 MILLION

# *TYPES OF MINERAL OWNERSHIP*

## – FREE ROYALTY

- PSF HAS SOLD BOTH MINERAL AND SURFACE ESTATES
- RETAINED A 1/8 OR 1/16 FREE ROYALTY ON THE MINERAL ESTATE
- ACRES: 829,000

# *TYPES OF MINERAL OWNERSHIP*

## ❖ OTHER STATE ENTITIES

– TEXAS DEPARTMENT OF CRIMINAL JUSTICE

- PRIMARILY PRISON UNITS
- VARIABLE MINERAL INTEREST
- SURFACE USE RESTRICTIONS

# *TYPES OF MINERAL OWNERSHIP*

## – TEXAS PARKS & WILDLIFE DEPARTMENT (TPWD)

- PRIMARILY STATE PARKS AND WILDLIFE  
MANAGEMENT AREAS
- VARIABLE MINERAL INTEREST
- SURFACE USE RESTRICTIONS

# *TYPES OF MINERAL OWNERSHIP*

- TEXAS DEPARTMENT OF  
TRANSPORTATION (TXDOT)
  - HIGHWAY RIGHT-OF-WAY & FACILITY  
LOCATIONS
  - VARIABLE MINERAL INTEREST;  
GENERALLY UNKNOWN TO TXDOT

# *TYPES OF MINERAL OWNERSHIP*

- PERMANENT UNIVERSITY FUND (PUF)
  - PRIMARILY FEE LANDS IN WEST TEXAS



# *TYPES OF MINERAL OWNERSHIP*

- ❖ MISCELLANEOUS ENTITIES
  - OTHER STATE AGENCIES & ENTITIES
  - VARIABLE MINERAL INTEREST

# *LEASING ENTITIES*

- ❖ SCHOOL LAND BOARD (SLB)
- ❖ TEXAS LAND COMMISSIONER, JERRY PATTERSON
- ❖ GENERAL LAND OFFICE
- ❖ BOARD FOR LEASE, TEXAS DEPARTMENT OF CRIMINAL JUSTICE
- ❖ BOARD FOR LEASE, TEXAS PARKS & WILDLIFE DEPARTMENT
- ❖ BOARD FOR LEASE, UNIVERSITY LANDS

# *PROCEDURES FOR LEASING*

## ❖ PERMANENT SCHOOL FUND

### – FEE TRACTS

- LEASED BY SLB AT SEALED BID ON A BONUS BASIS
- SALES HELD QUARTERLY
- TRACTS NOMINATED BY INDUSTRY
  - NOMINATION LETTER SENT TO GEORGE MARTIN,  
TEXAS GENERAL LAND OFFICE
  - \$100 PER TRACT NOMINATION FEE
- EVALUATED BY GENERAL LAND OFFICE STAFF FOR MINERAL VALUE
- ADVERTISED IN “NOTICE FOR BIDS”
  - MAILED APPROXIMATELY 30 DAYS PRIOR TO SALE

# *PROCEDURES FOR LEASING*

- MINERAL CLASSIFIED –  
RELINQUISHMENT ACT LANDS
  - LEASE NEGOTIATED WITH OWNER OF THE SOIL
  - LEASE MUST BE APPROVED BY LAND COMMISSIONER
  - PRIOR TO FILING LEASE OF RECORD IN COUNTY SEND COPY TO DREW REID, TEXAS GENERAL LAND OFFICE

# *PROCEDURES FOR LEASING*

## – FREE ROYALTY

- LEASED BY OWNER OF THE MINERAL ESTATE
- PSF RETAINS A FREE ROYALTY OF 1/8 OR 1/16
- COPY OF CERTIFIED LEASE TO BE FILED WITH GLO

# *PROCEDURES FOR LEASING*

- ❖ TEXAS DEPARTMENT OF CRIMINAL JUSTICE (TDCJ)
  - LEASED BY BOARD FOR LEASE, TEXAS DEPARTMENT OF CRIMINAL JUSTICE
  - SEALED BID SALE HELD CONCURRENT WITH SLB SALE
  - TRACTS NOMINATED BY LETTER TO JESSE ARELLANO, TEXAS GENERAL LAND OFFICE
  - EVALUATED BY GLO STAFF FOR MINERAL VALUE
  - ADVERTISED IN “NOTICE FOR BIDS”

# *PROCEDURES FOR LEASING*

- ❖ **TEXAS PARKS & WILDLIFE DEPARTMENT (TPWD)**
  - LEASED BY BOARD FOR LEASE, TEXAS PARKS AND WILDLIFE DEPARTMENT
  - SEALED BID SALE HELD CONCURRENT WITH SLB SALE
  - TRACTS NOMINATED BY LETTER TO JESSE ARELLANO, TEXAS GENERAL LAND OFFICE
  - EVALUATED BY GLO STAFF FOR MINERAL VALUE
  - ADVERTISED IN “NOTICE FOR BIDS”



# *PROCEDURES FOR LEASING*

- ❖ TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT)
  - LEASED BY SLB UNDER TNRC 32.201 ET. SEQ.
  - TRACTS APPLIED FOR BY LETTER TO DREW REID, TEXAS GENERAL LAND OFFICE



# *PROCEDURES FOR LEASING*

- ❖ PERMANENT UNIVERSITY FUND (PUF)
  - LEASED BY BOARD FOR LEASE, UNIVERSITY LANDS
  - SEMIANNUAL SEALED BID SALE
  - GENERALLY IN MAY AND OCTOBER
  - TRACTS NOMINATED BY INDUSTRY
  - EVALUATED BY UNIVERSITY LANDS DIVISION STAFF IN MIDLAND
  - FOR FURTHER INFO CONTACT JAMES HOLTZCLAW (432) 684-4404

# *PROCEDURES FOR LEASING*

## ❖ MISCELLANEOUS ENTITIES

- LEASED BY SLB AT SEALED BID SALE
- TRACTS NOMINATED BY LETTER TO GEORGE MARTIN OR JESSE ARELLANO, TEXAS GENERAL LAND OFFICE
- EVALUATED BY GLO STAFF FOR MINERAL VALUE
- ADVERTISED IN “NOTICE FOR BIDS”

# *GEOHERMAL ENERGY LEASE*

- ❖ PROCEDURES FOR LEASING
  - LEASED BY SLB AT QUARTERLY LEASE SALE
- ❖ STANDARD FORM
  - FOR COPY OF LEASE OR OTHER INFO CONTACT RENEWABLE ENERGY DIVISION (512) 463-5042 OR 475-1372

# *GEOHERMAL ENERGY LEASE*

## ❖ TERMS AND CONDITIONS

- SET BY SLB FOR EACH TRACT
- TERMS FOR JULY 17 SALE
  - MINIMUM BONUS: \$2.00/ACRE
  - ANNUAL RENTAL: \$3.00/ACRE BEGINNING WITH THE SECOND YEAR OF THE LEASE, WITH THE EXCEPTION OF THE RENTAL DUE ON THE FIFTH ANNIVERSARY OF THE LEASE, WHICH WILL BE \$6.00/ACRE
  - PRIMARY TERM: TEN YEARS; 5 YEARS WITH OPTION FOR ADDITIONAL 5 YEARS
  - ROYALTY: 10% OF THE GROSS PROCEEDS DERIVED FROM AN ARM'S-LENGTH SALE

# *POOLING STATE LEASES*

- ❖ STATUTORY AUTHORITY PROVIDED BY TNRC
- ❖ SLB MUST APPROVE POOLING OF STATE LANDS
- ❖ UNLEASED RIVERBEDS AND CHANNELS MAY BE POOLED
- ❖ FILE FOR POOLING BY SUBMITTING APPLICATION TO GLO
- ❖ \$100.00 APPLICATION FEE

# *ON-LINE ACCESS*

- ❖ [www.glo.state.tx.us](http://www.glo.state.tx.us)
- ❖ “ENERGY RESOURCES”
- ❖ “MINERAL LEASING” – general info
- ❖ “OIL&GAS SEALED BID LEASE SALES”
- ❖ “RELINQUISHMENT ACT LEASING”
- ❖ “FREE ROYALTY LEASING”
- ❖ “HIGHWAY RIGHT-OF-WAY LEASING”
- ❖ “POOLING STATE LEASES”

