

CHEYENNE COUNTY, COLORADO  
CHEYENNE COUNTY ASSESSOR

# Severed Mineral Policy




## **Severed Mineral Interest Discovery**

The most common method of discovering severed mineral interests is a careful review of deeds recorded in the county clerk's office. Minerals are usually severed from the surface by means of a "reservation" in a land deed, or by a separate document called a "mineral deed."

In Cheyenne County severed minerals were added to the tax roll in 1952. To do this, the county contracted with Cheyenne County Abstract Company for determination of mineral interests held with the surface and severed minerals.

## **Severed Mineral Interest Listing**

Severed mineral interests are listed on a separate schedule for each interest. PLEASE NOTE the word SEVERED. Mineral interests held with the surface are not taxed, and therefore they do not have a schedule. For informational purposes only, our office tracks this information on Mineral Cards. The schedule/parcel/account number for severed minerals begins with 92 and is twelve digits long. The first four numbers of the account number is known as the township number and is reference to an individual township containing up to 36 sections. (Surface schedule/parcel/account numbers begin with a 3 and are twelve digits long).

## **Determination of Net Mineral Acreage**

Severed mineral interests are generally expressed as an undivided, fractional interest in a certain amount of acres. To value severed minerals on a per-acre basis, the legal description on the mineral deed must be converted to an acreage equivalent.

As of July 1, 2012, Cheyenne County mineral acreage will be calculated from the patent or BLM survey with the EXCEPTION of parcels affected by the Railroad and Highway Right of Ways. The acreage for these parcels will be calculated from the surface/use acreage utilizing the County's GIS mapping program. This is for assessment purposes only.

## **Description of Net Mineral Acreage**

All descriptions are for assessment purposes. They are described in a way that our office can locate the property and can be printed on Notice of Values and Tax Bills. All property in Cheyenne County is located West and South of the 6th Principal Meridian. We do not include the directional in our descriptions; this is NOT a legal description for making deeds or transferring property.

## **Nonproducing Severed Minerals**

Nonproducing severed oil and gas mineral interests are valued based on the income attributable to the leased mineral interest. A study of mineral leases is conducted and analyzed to determine an average gross income per acre. Allowable expenses are deducted from the lease. Property taxes are an expense that is considered in the development of the capitalization rate and is not deducted from the effective gross income per acre. The capitalization rate is developed by calculating the effective tax rate for the county and adding the results to the discount rate. Cheyenne County utilizes the discount rate provided by the Division of Property Taxation. The net income per acre is then capitalized resulting in an estimate of value per acre.

## **Severed Minerals in Production**

When natural resource land is valued for assessment solely on the basis of production during the previous year, an additional separate assessment of the severed mineral interest would constitute double assessment of the minerals. There should not be a separate assessment of severed mineral interest during the years of mineral production. However, if the severance is for a mineral not under production, the severed mineral interest must be assessed separately.

## **Severed Minerals within City Limits**

Cheyenne County does not track or list any severed mineral ownership, nor any mineral interest associated with the surface for property located in the towns of Arapahoe, Cheyenne Wells, Kit Carson and Wild Horse. Severed mineral ownership for these areas will only be placed on the tax roll per the request of the owner who can prove with valid documentation as to such.

## Severed Minerals under Right of Ways of Railroad and Highways

Cheyenne County does not track or list any severed mineral ownership nor any mineral interest associated with the surface for property located under right of ways of the Railroad and Highways. Severed mineral ownership for these areas will only be placed on the tax roll per the request of the owner who can prove with valid documentation as to such.

## Discrepancy of Ownership or Acreage

It is important to note that although accuracy of our records is important, the Cheyenne County Assessor's office is not a source of warranty for ownership, acreage, or description of property. We welcome notification of discrepancy in ownership and acreage. We prefer the discrepancy to be in written form, with reference to documentation provided as proof of the discrepancy. Discrepancies are handled as follows: A file is created for each discrepancy received and marked as research. This research will be conducted at a time that does not interfere with the deadlines imposed on this office by statute. Please note that this office is not equipped with the resources to conduct title research at the receipt of each discrepancy.

## Researching County Records

---

**Mineral Cards** – Our mineral cards are available on our web page.

<http://co.cheyenne.co.us/countydepartments/assessor.htm> Down towards the bottom click on the Mineral Card Link. Open the file and you will see excel workbooks arranged by township and range. Open the township and range. Along the bottom of the workbook are tabs for each section that has a mineral card. Information on the left side of the mineral card is the Surface owner and any mineral interest. Information on the right side of the mineral card is the severed mineral owner and their interest. See headings on each card: SURFACE OWNER AND INTEREST (mineral) and SEVERED MINERALS.

**Online Property Information** – Our assessment records are available on our web page.

<http://co.cheyenne.co.us/countydepartments/assessor.htm> Down towards the bottom click on the Online property information. Surface information can be researched from the Parcel Search button. Severed Mineral information can be researched from the Severed Mineral Search button. To obtain a detail report that shows the vesting documents we are aware of for SURFACE: select the record, then click the printer/paper icon at the top left corner of the page, then get report. To obtain a detail report that shows the vesting documents we are aware of for SEVERED: select the record, then click on report to the left of the record.

**Indexing Books** – Additional information can be obtained from our indexing books. These books have a listing of documents pertaining to Section, Township and Ranges in the county. Currently this information is only available in the office. We are finishing the project of entering this information into an excel workbook. Please contact the office to see the availability of the area you are researching. If it is completed we can email a PDF image of the particular section, township and range. If it is not available by computer, you are welcome to visit our office to review the books.

Please note that all the information indexed is from the time period of 1952 (when severed minerals were added to the tax roll) to 1995. Documents after July 1, 1995 can be researched through the Clerk and Records webpage utilizing the link to public documents. Documents prior to 1952 are researched using the Grantor/Grantee books in the Clerk and Records Office. You can also inquire at the local abstract office for their policy on research at their location.