



Severed Mineral Policy

Cheyenne County, Colorado

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 digits in 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 number 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 & 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 & 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 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> Toward the bottom of this webpage, click on the Mineral Cards Link. Once you open the zipped file, you will see excel workbooks arranged first by township and then range. Open the correlating township and range spreadsheet for the legal description you need. When you have the spreadsheet pulled up, you will notice tabs along the bottom of the workbook listing each section (within the township and range) that has a mineral card. Information on the left side of the mineral card is the Surface owner and any mineral interest they own. Information on the right side of the mineral card shows the mineral ownership and interest for mineral rights that have been severed from the land (surface).

See headings on each card: SURFACE OWNERSHIP & MINERAL INTEREST and SEVERED MINERAL INTEREST.

ONLINE PROPERTY INFORMATION – Our assessment records are available on our web page.

<http://co.cheyenne.co.us/countydepartments/assessor.htm> Toward the bottom of our webpage under the "Property Search" section heading, click the link titled "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 detailed property report to show the vesting documents our office is aware of for SURFACE: select the record, then click the print preview/paper icon at the top left corner of the page, and select "Get Report". To obtain a detailed report to show the vesting documents our office is 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 deed book indexing files. We have compiled information from our deed books from 1952 to July 1, 1995 into an excel workbook. These spreadsheets list documents pertaining to Section, Township and Ranges in the county. Please contact the office to see the availability of the area you are researching, and we can email you the spreadsheet you need if it is available. Our deed book indexing files are separated by each township and range, with the sections all listed in tabs alongside the bottom of the spreadsheet. 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.