
YOU DON'T KNOW WHAT YOU DON'T KNOW

Texas Runsheet Preparation

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DISCLAIMER

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WHAT IS A RUNSHEET?

A runsheet is an index or abstract of all recorded documents affecting title to a tract of land for a given period of time. An attorney will utilize the runsheet in the preparation of a title opinion.



WHO PREPARES THE RUNSHEET?

Runsheets are best prepared by seasoned landmen with considerable experience in courthouse research and a thorough knowledge of real property law and document interpretation.

Runsheet preparation is as much art as it is science.



GETTING STARTED

Questions to be Answered
Prior to Beginning the Project



WHAT IS THE PERIOD OF TIME TO BE COVERED?

- ▶ Sovereignty of the soil to present
- ▶ From the date of a previous title opinion to present
- ▶ From the date of a previous runsheet to present



WHAT IS THE SCOPE OF THE RUNSHEET?

- ▶ Fee simple title
- ▶ Surface, mineral and non-participating royalty interest only
- ▶ Mineral and current leasehold ownership only
- ▶ Include surface and/or bottom hole location(s) or pooled acreage

DO PRIOR OIL AND GAS LEASES NEED TO COMPLETELY RESEARCHED?

- ▶ Locate all assignments and releases of all prior leases
- ▶ Locate releases only of all prior leases
- ▶ Limit research to only the current leasehold estate



WHAT FORMAT IS REQUIRED?

- Simple listing or index of documents
- Listing of documents and brief summary
- Listing of documents and full title notes



MINIMUM INFORMATION REQUIRED

- ▶ Recording reference (Volume/Page/Records)
- ▶ Type of instrument (Deed, OGL, etc.)
- ▶ Instrument date
- ▶ Effective date (if different than instrument date)
- ▶ Filing date (note difference between filing date and recording date)
- ▶ Grantor
- ▶ Grantee

ADDITIONAL INFORMATION

- ▶ Brief property description
- ▶ Recording reference of documents cited
- ▶ Mineral or royalty reservations (fee or term)
- ▶ Defects noted (description errors, drafting errors, execution inconsistencies, faulty acknowledgment, etc.)



HOW WILL THE ATTORNEY CONDUCT HIS EXAMINATION?

- ▶ Stand up examination in the courthouse (Will he want the landman to be present?)
- ▶ Examination of copies of the listed documents (Will the landman provide the copies, and in what format?)
- ▶ Examination of the instruments online



WILL THE LANDMAN UTILIZE AN ABSTRACT PLANT?

- Client approval of use of plant and payment of fees
- Use abstract and general indices before and after search of the courthouse indices

Note: Title companies generally do not insure minerals and often do not properly index memoranda of leases, assignments, unit designations, etc.

ARE TAX CERTIFICATES REQUIRED?

- ▶ Counties, school districts and other governmental entities assess property taxes that, if not paid, can result in a tax lien and foreclosure
- ▶ Make certain certificates (not statements) are obtained from *each and every entity* assessing and collecting taxes



WHAT MAPS OR PLATS ARE AVAILABLE?

- ▶ Copy of Tobin or similar map
- ▶ Appraisal district plat (helpful in identifying surface tracts and tax account numbers)
- ▶ Official subdivision plats
- ▶ Surveys recorded or attached to recorded instruments
- ▶ Landman's sketches or Deed Plotter plats



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RESEARCHING THE RECORDS



THE COUNTY OFFICES

- ▶ Central Appraisal District
- ▶ Tax Assessor and Collector
- ▶ County Clerk
- ▶ District Clerk
- ▶ County Engineer



CENTRAL APPRAISAL DISTRICT

- ▶ Identify taxing entities
- ▶ Plats
- ▶ Restrictions
- ▶ Exempt tracts (roadways, etc.)
- ▶ Miscellaneous additional information (title files, etc.)



TAX ASSESSOR AND COLLECTOR

- ▶ Verification of taxing entities
- ▶ Tax Certificates
- ▶ Miscellaneous additional information (title notes, current address, etc.)



OFFICE OF THE COUNTY CLERK

- ▶ Deed/Real Property/Official Records
- ▶ Deed of Trust Records
- ▶ Oil, Gas and Mineral Lease Records
- ▶ Miscellaneous Records
- ▶ Tax Lien Records
- ▶ Abstract of Judgment Records
- ▶ Lis Pendens Records
- ▶ Mechanic's Lien Records
- ▶ Marriage Records
- ▶ Death Records
- ▶ Daily Register



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OFFICE OF THE COUNTY CLERK

Court Records

- Probate Records
- County Court Records



OFFICE OF THE DISTRICT CLERK

Court Records

- Civil Lawsuits
- Divorce Proceedings



COUNTY ENGINEER

- ▶ Maps showing municipality limits and ETJ's (check for drilling ordinances and restrictions)
- ▶ Flood plains and floodways
- ▶ Road use permits and other county requirements
- ▶ Additional maps or plats



TOOLS OF THE TRADE



USEFUL TOOLS

- ▶ Drafting/plotting Tools
- ▶ Spreadsheet or Database Management Software
- ▶ Flow Chart



DRAFTING/PLOTTING TOOLS

- ▶ Allen Engineering Scale
- ▶ Pronto Land Compass
- ▶ Deed Plotter+ or similar software

These tools are all useful for platting the source tract and changes in boundaries and computing acreages. The landman's sketches are quite helpful and should be provided to the examining attorney.

SPREADSHEET OR DATABASE MANAGEMENT SOFTWARE

- ▶ Checklist of records searched and timeframe
- ▶ Entry of documents in the chain of title
- ▶ Sort by instrument date, file date, etc.
- ▶ Searchable by name or keyword
- ▶ Can be provided to another landman to complete the assignment
- ▶ Backup daily to preserve data
- ▶ Convert to word processor for runsheet

FLOW CHART

- ▶ “Visualize” the chain of title
- ▶ Organize ownership information
- ▶ Identify breaks in the chain of title
- ▶ Valuable tool for the examining attorney



ADDITIONAL GUIDELINES



OIL, GAS AND MINERAL LEASES

- ▶ All oil, gas and mineral leases must be included in the runsheet
 - ▶ Assignments may or may not be included – check with client or examining attorney and note runsheet
 - ▶ All releases of oil, gas and mineral leases should be included in the runsheet and noted
 - ▶ Lack of release should be noted
-
- ▶ www.NADOA.org

EASEMENTS AND RIGHTS OF WAY

- ▶ All easements and rights of way must be included in the runsheet (may affect surface operations)
- ▶ Subsequent assignments may or may not be included (can be very time consuming) – check with client or examining attorney and note runsheet
- ▶ All releases of easements and rights of way should be included in the runsheet and noted



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UNUSUAL ITEMS

Client and/or examiner should be notified upon discovery in order to avoid surprises and delays.



“RED FLAGS”

- ▶ Non-participating royalty interests
- ▶ Unleased mineral interests
- ▶ Break in the chain of title
- ▶ Fatally defective instruments
- ▶ Lack of probate proceedings or heirship information
- ▶ Unrecorded instruments (i.e. the client's leases)



HELPFUL HINTS



HELPFUL HINTS

- ▶ Include a labeled sketch of each change in tract size or boundaries
- ▶ The flow chart should reflect the parties, dates, recording reference and interest conveyed, such as mineral (MI), royalty (RI) or surface (SI)
- ▶ Runsheets are customarily sorted chronologically by instrument date
- ▶ Probates notes should include date of death of decedent

HELPFUL HINTS

- ▶ The date entered for court proceedings is usually the date of the first filing
- ▶ Sort the copies provided to the attorney in the same order as they appear on the runsheet, and number and/or tab each document
- ▶ Note additional properties included in old leases or term mineral or royalty conveyances, and notify client for possible additional research



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HELPFUL HINTS

- ▶ Check with the Texas Railroad Commission for production in the area that may have perpetuated a lease or term interest by virtue of pooling
- ▶ Provide the client with originals or exemplified or certified copies of all documents (probate proceedings, powers of attorney, etc.) obtained from other counties or individuals



COMPILING THE RUNSHEET PACKAGE

- ▶ Certification Letter (verify date)
- ▶ All maps, plats and sketches
- ▶ A clean map for the attorney's use
- ▶ Flow chart
- ▶ Tax Certificates
- ▶ Runsheet
- ▶ Copies of documents (if requested)
- ▶ Copies of documents filed by memorandum
- ▶ Copies of all unrecorded documents



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A WORD ABOUT COMPUTERIZED INDICES



COMPUTERIZED INDICES

- ▶ County Clerks in Texas have no standardized data entry protocol
- ▶ Data entry “rules” vary from system to system, clerk to clerk and year to year
- ▶ Use your imagination when entering names for a search



EXAMPLES

- ▶ There are at least 1,100 entries in the OPR index in Fort Bend County, Texas under “the”:
 - ⋮ The Texas Company
 - ⋮ The Jones Trust
 - ⋮ The First National Bank of Dallas



EXAMPLES

- ▶ Freddie O'Pry is indexed as:
 - ⋮ O'Pry
 - ⋮ OPry
 - ⋮ O Pry
 - ⋮ O 'Pry
 - ⋮ O' Pry
 - ⋮ O ' Pry

Each search generates a different results set.

EXAMPLES

- ▶ Use of abbreviations is common and inconsistent:
 - ⋮ First St Bk
 - ⋮ Fort Bend; Ft. Bend; Ft Bend
 - ⋮ Pearland ISD



SEARCH HINTS

- ▶ When searching an unusual surname, enter only that surname
- ▶ When searching a more common surname, enter only the surname and first initial of the given name
- ▶ When searching a company name, enter only the first word and first letter of the second word in the company name

SEARCH HINTS

- ▶ Be aware of nicknames (Robert - Bob; Elizabeth - Liz or Beth)
- ▶ Enter as little information as possible to obtain a workable results set
- ▶ Be more interested in obtaining good results than in limiting the search



QUESTIONS OR COMMENTS?

