AMERICAN ASSOCIATION OF PROFESSIONAL LANDMEN		
Local Association Award		
Best Member Communication (During Calendar Year 2023)		
Awards Committee Evaluation Form		
To be completed by Local Association		
Local Association Name:		
Member Name:		
Title of Communication:		
Date Presented or Month Published:		
ATTACH THIS ENTRY FORM TO COPY OF WRITTEN COMMUNICATION OR ORAL TRANSCRIPT (No comments or further explanations will be considered)		

## To Be Completed By Awards Committee

The following criteria are listed to assist in the evaluation of the Member Communication.

<u>Criteria</u>	<u>Points</u>	<u>Score</u>
EDUCATIONAL/MOTIVATIONAL VALUE	0-6	
INTEREST TO OTHERS	0-5	
ORIGINALITY OF WORK	0-5	
OVERALL PRESENTATION	0-5	
	Total Points	



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Q: On January 1, A, an individual, the owner of no mineral interest in the NW/4, executed a Warranty Deed form conveying "...all of Grantors interest in the NW/4," to LLL Corp.

On February 1, AAA, Inc., a company that is solely owned by A acquires a mineral interest in the NW/4.

On March 1, A, individually, executes a Quit Claim Deed of the NW/4 to XYZ Corporation.

Who owns the mineral interest in question in the NW/4. – S.M.

A: A can't claim that he owns the mineral interest because A was never conveyed an interest at any time. Further, any interest he would have owned was deeded to XYZ.

LLL Corp. will claim that it owns the property by virtue of the warranty clause in the Deed from A. LLL Corp. would assert that although A did not own the property as of January 1, it did acquire the interest in corporate form as of February 1, and that by after-acquired title, its interest became vested in LLC Corp.

AAA will claim it owns the interest, because it acquired the interest, but never conveyed an interest.

XYZ Corp. will claim it owned the NW/4, because although A did not own it individually, A intended to convey some interest at the time of the execution of the Deed on March 1.

There are two issues involved. The first issue is whether the doctrine of after-acquired title under the January 1 Warranty Deed vests any interest in LLL Corp. Under a Warranty Deed, in the event that the Grantor does not own all the interest at the time of a conveyance, but warrants that he owns the NW/4, for example, any interest subsequently acquired by the Grantor would immediately vest in the Grantee under the Warranty Deed.

However, a Deed that describes the premises but prior to the description of the premises, conveys "all my right, title, and interest" then the warranty clause cannot be used to enlarge the conveyed estate to include after-acquired title. In other words, the deed only conveys what the Grantor owned at the time. Because the January 1 Warranty Deed recites that it only conveys the right, title, and interest of the Grantor at the time, it does not warrant the title to all of the mineral interest in the NW/4, but only warrants all right, title, and interest owned by the Grantor on January 1. It is said to be more equivalent to a Quit Claim Deed than a Warranty Deed. Reed v. Whitney (OK 1945). The warranty clause would not kick in so as to allow LLL Corp. to receive an interest because in this situation the deed in question was not legally a Warranty Deed. Further, A was never conveyed any interest.

The second issue is estoppel.

AAA would be estopped to deny the validity of the Deed executed by A on March 1. Although it was executed by the wrong entity, Aobviously meant to execute a Deed conveying something to XYZ Corporation. Estoppel by Deed is a bar which precludes one party to a Deed from asserting against another party any right or title in derogation of the deed or from denying the truth of any material facts inserted therein. Equitable Royalty Corp. v. Hullet (OK 1952). AAA would be estopped to deny the validity of the deed executed by its principal, A.

Therefore, although it is difficult to know what a court would do, my initial inclination would be to place XYZ into title by virtue of the fact that A had executed the Deed to them. Of course, the interest is not marketable and would be subject to requirements.

Now, it could be argued that the same estoppel should allow LLL Corp. to obtain title to the interest. However, at the time of the conveyance to LLL Corp., neither A nor AAA owned any interest.

In the event of litigation, certain facts could come out, which could change a court's ruling. For example, if it was determined that XYZ was knowledgeable that A was coming into title by virtue of an inheritance or conveyance from a specified party and that they were aware that although A had not received the interest, they still purported to convey that particular interest to LLL Corp., then XYZ could be on actual notice that the acquired interest was, in fact, conveyed.

Note: If you have any title questions you want answered, email your questions to ocapl@coxinet.net.