



Jelaca v. Oasis Ranch

This case was the result of a comment and requirement contained in a drilling and division order title opinion drafted by a seasoned title attorney in the Rocky Mountain region. The issue was the interpretation of an instrument contained in the mineral chain of title for lands located in the DJ Basin entitled “Assignment of Lease Interests”. At the date of execution, the mineral interests at issue were owned in joint tenancy by a mother and son. The son predeceased the mother and subsequently the mother’s other son, acting as her attorney-in-fact, deeded the mineral interest to himself. The issue in the case was whether 1) the mineral interest passed to the deceased son via the Assignment of Lease Interests, meaning the mother no longer had any interest in the minerals; or 2) whether the Assignment of Lease Interests merely conveyed an executive right to enter into leases, meaning that when the son died the mineral interest passed solely to the mother by operation of law.

Beatty & Wozniak, P.C. represented the plaintiff, Pamela Jelaca, who is the daughter of the deceased son. Oasis Ranch, the defendant, is the successor-in-interest to the other son.

The interpretation of a deed is a question of law and no facts were in dispute, as a result the case was decided on summary judgment. The judge agreed with Beatty & Wozniak, P.C., that the context in which “lease interest” was used showed the mother’s intent to convey all of the mineral interest to her son rather than an executive right to enter into leases. Consequently, after the execution of the Assignment of Lease Interests, the mother no longer had an interest to convey and any subsequent conveyances made by her or her successors had no legal effect.

This case illustrates the importance of the comments and requirements contained in a title opinion and the associated curative process. The oil and gas company who received the drilling and division order title opinion in this case followed the requirement to promptly lease both the plaintiff and the defendants, so their interest will not be affected by the decision and they now can safely pay royalties to the proper party.

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