

Timeframes for Clearing Exceptions

The local sponsor and/or the landowner will be responsible for clearing and/or subordinating all interests that limit the title of a property, such as mortgages, leases, liens, restrictions, or legal or equitable interests, unless exempted by the director. The most common are listed below with requested completion timelines.

- Oil & Gas Extinguishment – 6 months (see following section on procedures)
- Subordinations – 3 months
- Signature Authority – 2 months

At the end of the given timeframe, clearing and/or subordination will be complete. If requested items are not complete, notification is due to ODA to demonstrate progress on clearing/subordinating the exception, along with a request for extension. If progress has not been made to clear/subordinate the exceptions or is unsatisfactory, the Director may disqualify the application.

Oil and Gas Leases

Plan of action is needed on two types of leases: 1.) Historic (Inactive) and 2.) Active

- 1) If there is NOT an active oil and gas lease, this farm will go through the federal program if funding allows it to do so
 - If there are any historic leases present, these must be extinguished in order to be eligible for the federal program
 - Active oil and gas operations with landowner-retained oil and gas rights may qualify for FRPP funding.
- 2) If there is an ACTIVE oil and gas lease, this farm will require a state deed
 - Each active lease will be reviewed (by the executive director and the asst. AG) to make sure it is acceptable for the state program
 - No need to extinguish inactive leases if there is a current lease governing that piece of the property. (Rationale: the active lease controls the mineral interest anyway – any existing mineral interest would impact the interest of the current lessee, not the lessor/landowner/state)

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Note: This document may be updated to meet State and Federal Program Guidelines and Policies