

IC 30-1-6

Chapter 6. Oil, Gas, and Mineral Leases

IC 30-1-6-1

Administrators, executors, and guardians; powers to execute leases; term; jurisdiction; sale of leases; petition

Sec. 1. Administrators and executors of estates of deceased persons and guardians of the estates of persons under eighteen (18) years of age and incapacitated persons (as defined in IC 29-3-1-7.5) are authorized to execute oil and gas, coal, or other mining leases upon the lands belonging to the estates of the deceased persons, or of persons under eighteen (18) years of age or incapacitated persons, for a term not to exceed ten (10) years and as long thereafter as oil, gas, coal or other minerals may be produced in paying quantities, upon compliance with this chapter. The court having probate jurisdiction in the county in which the guardianship or administration proceedings are pending shall have jurisdiction to order the sale for execution and delivery of a lease or leases upon the filing of a petition alleging that the estate of the deceased person or the estate of a person under eighteen (18) years of age or a protected person is the owner of the lands described in the petition, and that the lands have a probable value for oil and gas, coal or other mining purposes, stating the probable value of the proposed lease, and that the estate of the deceased person or of the protected person is not financially able or that it is impractical for the estate to explore and develop the land for oil and gas, coal, or other minerals, and that it is to the best interest of the estate to lease the lands. The petition shall be verified by the administrator, executor, or guardian, and if it involves lands belonging to the estate of deceased persons, the petition shall set forth the names and post office addresses of the heirs of the deceased persons. If the will of any deceased person empowers the executor to sell oil, and gas, coal, or other mineral leases upon the lands of the testator, it shall not be necessary for the executor, or the administrator with the will annexed, to comply with this chapter. The word "land" or "lands" includes any oil, gas, coal, or other mineral rights or interests in lands which may be leasable.

(Formerly: Acts 1943, c.270, s.1; Acts 1973, P.L.264, SEC.5.) As amended by Acts 1982, P.L.171, SEC.88; P.L.33-1989, SEC.85.

IC 30-1-6-2

Sale of leases; order of court; notice; royalties; bonus

Sec. 2. Upon the filing of a petition under section 1 of this chapter, the court in its discretion and upon showing of benefit to the estate of the decedent or protected person shall make an order authorizing and directing the administrator, executor, or guardian to sell a lease upon the lands for oil, and gas, coal, or other mining purposes. The sale may be either public or private as the court may direct and upon notice as may be fixed by the court in its order of sale. Should the court determine from the petition that the sale price of the lease

would not be sufficient to justify the giving of notice of sale, the court may order the lease sold without notice. Any sale of oil, and gas, coal leases, or other mineral rights under this chapter shall be on a royalty basis and bonus if any. The bonus shall be payable in cash at the time of the execution and delivery of the lease or on terms as the court shall deem just and proper. Where an estate is solvent, no administrator or executor may lease land as provided in this chapter unless the administrator or executor is joined in the lease by the heirs, or their guardians if the heirs are under the age of eighteen (18) years or incapacitated, of the deceased person whose estate is being administered. If the lands to be leased are situated in any other county than that in which the probate proceeding is pending, then the notices of sale, if any are to be given, shall be published and posted in the county of the location of the lands.

(Formerly: Acts 1943, c.270, s.2; Acts 1973, P.L.264, SEC.6.) As amended by Acts 1982, P.L.171, SEC.89; P.L.33-1989, SEC.86.

IC 30-1-6-3

Bidding; report; hearing; endorsement

Sec. 3. In compliance with the terms of the order for the sale of said oil and gas, coal, or other mineral lease, said administrator, executor, or guardian shall offer said lease for sale and sell the same to the highest bidder upon such terms and conditions as the court shall order and shall thereupon file a report of sale showing the land upon which said lease was sold, the term of years thereof, the name of the purchaser, and the amount for which the same was sold, and attach to the return a copy of the form of lease proposed to be executed, which report shall thereupon, without further notice, be heard by the court having probate jurisdiction and if the court finds that said sale was properly conducted as herein provided, and that the price bid for said lease was not disproportionate to the value thereof, said sale shall be confirmed and said administrator, executor or guardian authorized and directed to execute and deliver said lease, and when said lease is executed the judge shall indorse his approval thereon.

(Formerly: Acts 1943, c.270, s.3.)

IC 30-1-6-4

Consolidating with adjoining land; joint development

Sec. 4. Every guardian, executor, or administrator shall have the power, upon approval by the court wherein the guardianship is pending, to execute agreements consolidating the lands of the protected person or of the estate covered by an oil and gas mining lease that has been executed, or which may be executed, or any part thereof, with other adjoining land for the purpose of joint development and operation of the entire consolidated premises as a unit, to the end that the protected person or estate shall share proportionately in the royalty on oil, gas and casinghead gas produced from the consolidated tract.

(Formerly: Acts 1943, c.270, s.4.) As amended by P.L.33-1989, SEC.87.

IC 30-1-6-5

Acts conclusive; disaffirmance denied

Sec. 5. Acts of guardians under this chapter are conclusive upon the protected person and any future disaffirmance is denied.

(Formerly: Acts 1943, c.270, s.5.) As amended by P.L.33-1989, SEC.88.