

Sean Goodnight Shares the Importance of Mineral Rights for Rural Residents and Landowners

Sean Goodnight shares the importance of mineral rights for rural residents and landowners, as oil and gas companies may seek to purchase or lease these rights.

DENVER, CO, USA, October 29, 2020 /EINPresswire.com/ -- Unlike most countries around the world, the United States still has many rural residents and private landowners that hold mineral rights. [Sean Goodnight](#), the Vice President of Acquisitions with [Phoenix Capital Group](#), states that it is vital for those who still possess ownership to understand the importance.

Individuals who possess mineral rights are entitled to certain royalties if and when oil and gas companies request to drill on their property. Rather than allowing those proceeds to go to large corporations, rural residents and landowners can help keep that revenue in their hometowns. Keeping revenue local can help support local businesses and other initiatives. Studies have shown that counties with oil and gas production typically see increased deposit growth at their local banking institutions. Agricultural & Applied Economics Association found that [deposit growth was as high as 8.2% over ten years](#), with deposits stemming from royalty and premium payments.

Most individuals and families have obtained their mineral rights through land passed down over generations. Before 1908, the federal government attached mineral rights to all homestead and property claims. After 1916, any new property claims had mineral rights assigned to the federal government. Some states received rights through federal land grants.

According to Sean Goodnight, it is essential for those who have inherited the rights from their families to understand how those rights are divided amongst family members. Mineral rights are seen as a tenants-in-common type of property, rather than individual owners of a percentage of acreage. Therefore, a family of four may own a quarter of the entire rights rather than a specific quarter of the property.

Those who possess mineral rights can lease their acreage instead of selling it to oil and gas companies. These contracts usually include two potential income streams – the first as an upfront premium and the second as royalty revenue as a portion of any production that takes place on the property. Landowners can also include clauses within a contract that limit or restrict the developers' occupancy of the surface.

Mineral owners can become royalty owners once a paying well has been drilled onsite. This is usually an addition to the lease, in which a division order is signed to designate the terms in which royalties may be paid. Often, royalty owners will receive a lump sum upfront, followed by monthly payments. Payments can fluctuate over time, depending on the production of the well and oil prices.

Any landowners or rural residents questioning what they should do with their rights may consider reaching out to industry professionals, such as Phoenix Capital Group, to help navigate the various options available. The team at Phoenix Capital Group has decades of combined experience working directly with mineral owners to provide mutually beneficial solutions.

About Sean Goodnight

Sean Goodnight is a proud husband and father and a firm believer in family values. Born and raised in Colorado, he graduated from Englewood High School and went to the University of Northern Colorado. Sean's definition of success includes two aspects – family and professional life. He aims to provide security to his family and the clients that depend on him. He does that by consistently making sound choices and building relationships based on trust, honesty, and respect.

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