



**TEXAS DEPARTMENT OF BANKING
APPLICATION TO HOLD NONPARTICIPATING
ROYALTY INTEREST AS PERSONAL PROPERTY
(October 2013)**

Instructions:

1. Review Texas Finance Code §34.004 to determine whether your property qualifies as a nonparticipating royalty interest.¹
2. Complete this form.
3. Attach a copy of the instrument creating the royalty and any additional supporting documentation.
4. After approval by the Department of Banking, you must submit a letter application to the FDIC requesting permission to hold the reclassified property at the bank level (See 12 CFR 362.3 (b)(2)(i)).

DATE: _____

CHARTER NO.: _____

BANK NAME: _____

CITY: _____

ROYALTY INTEREST NAME: _____

DESCRIPTION OF PROPERTY:

DATE ACQUIRED: _____

PERCENT OWNED: _____%

ORIGINAL BOOK VALUE: \$ _____

CURRENT BOOK VALUE: \$ _____

¹ Texas Finance Code §34.004(a) by its terms applies to “nonparticipating royalty interests.” The required standards for eligibility and approval, demonstrate the key attributes of a nonparticipating royalty. These standards refer to the inherent nature or attributes of the title held, and cannot be created after acquisition. For example, indemnification in a lease agreement will not satisfy the requirements of §34.004(a)(2) (the interest must not be subject to expenses of exploration, development, production, operation, maintenance, or abandonment).

REPORT OTHER OWNER INFORMATION (If Applicable):

	Other Owner Name	Percent Owned
Other Owner - 1		
Other Owner - 2		

LIEN INFORMATION

LIEN: YES NO

If yes, then provide the following:

LIENHOLDER NAME: _____

AMOUNT: \$ _____

TYPE: _____

TERMS: _____

REPORT INCOME RECEIVED FOR THE FOLLOWING PERIODS:

PERIOD	INCOME
LAST 12 MONTHS	
TOTAL PRIOR 10 YEARS	
1 YEAR PROJECTION	
2 YEAR PROJECTION	

OTHER INCOME RELATED	YES	NO
Has the bank ever been asked to sign a lease for exploration and development?		
Has the bank ever received a bonus or lease payment other than a royalty payment?		
Has the bank ever incurred any expense associated with the interest?		
Is the interest currently subject to a lease?		

APPRAISAL INFORMATION: Most Recent Appraisal or Property Assessment:

NAME OF APPRAISER: _____

DATE: _____

VALUE: \$ _____

**DESCRIBE OTHER INTERNAL OR EXTERNAL MARKETING EFFORTS OR OFFERS
(INCLUDE DATES AND TYPES OF MEDIA ADVERTISING):**

Please submit all application requests to:

Charles G. Cooper
Commissioner
Texas Department of Banking
2601 N. Lamar Blvd.
Austin, Texas 78705

Attention: Review Examiner