



TEXAS DEPARTMENT OF BANKING

Application to Hold Nonparticipating Royalty Interest as Personal Property

Instructions:

1. Review Texas Finance Code §34.004 to determine whether your property qualifies as a nonparticipating royalty interest.*
2. Complete each category.
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 12CFR362.3 (b)(2)(i)).

BANK NAME				DATE:	
CITY				CHARTER NO.	
ROYALTY INTEREST NAME					
DESCRIPTION OF ROYALTY INTEREST					
DATE ACQUIRED			ORIGINAL BOOK VALUE		
PERCENT OWNED			CURRENT BOOK VALUE		
OTHER OWNERS					
1. NAME:				PERCENT OWNED:	%
2. NAME:				PERCENT OWNED:	%
LIEN:	YES NO				
LIENHOLDER:					
LIEN AMOUNT:			TYPE:		
TERMS:					

* 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).

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

	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?		

MOST RECENT APPRAISAL OR EVALUATION	
TYPE: APPRAISAL OR EVALUATION?	
NAME OF APPRAISER/EVALUATOR	
DATE	
VALUE OF PROPERTY	

DESCRIBE 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