



MINERAL INTERESTS — DETAILED GIFT DESCRIPTION

Mineral interests can be used to create a charitable gift at the University of Wyoming.

IS THIS GIFT RIGHT FOR YOU?

A gift of mineral interests may be right for you if any of the following is true.

- You own mineral interests that you want to use to support the University of Wyoming.
- You want to make a gift that has the potential to create a long-term impact for the students and programs at the University of Wyoming.
- You would like to include the University of Wyoming in your estate plans, and you own mineral interests.

HOW DOES IT WORK?



UNIVERSITY OF WYOMING FOUNDATION

WHAT ARE THE BENEFITS?

- You are eligible to claim a tax deduction based on the mineral interest's fair-market value at the time of the gift.
- The value of the assets will be removed from your taxable estate.
- You will be inducted into the Legacy Society at UW, a group of donors who have generously made an estate, deferred, or mineral gift to UW.

To find out more about these benefits, please contact the UW Foundation.

WHAT IS A MINERAL INTEREST?

A mineral interest is the right to explore, mine, or produce minerals lying beneath the surface of a property. These minerals include oil, gas, coal, iron ore, sulfur, and precious metals but not water, sand, gravel, salt, building stone, limestone, and surface shale.

The owner of a mineral interest may or may not own the surface land, but their ownership of the subsurface minerals is an interest in real property. Once extracted, the minerals become personal property.

A mineral owner typically owns the right to remove the minerals, as well as the right to execute a lease giving someone else the opportunity to remove them. Often, an individual owner of a mineral interest will lease the interest to a company (the lessee) that will explore and produce those minerals and retain profits over and above costs to mine and any rights the owner (lessor) has retained. This right to remove the minerals is known as a working interest or operating interest.

The mineral owner typically retains the right to a royalty interest (a share in the proceeds of production of the mineral), an initial bonus, and other amounts agreed upon at the time the lease is negotiated.

WHAT ARE THE BEST MINERAL INTERESTS FOR A CHARITABLE GIFT?

Gifts of the non-participating mineral royalty interests and net profits mineral interests are ideal assets for a charitable gift. Once in production, these interests produce income that can be applied to their designated purpose, or the interests can be sold, and the cash proceeds can be applied to the designated purpose.

The UW Foundation usually cannot accept gifts of working or operating mineral interests. Please contact us for more information or details.

If you know the legal description of your mineral interests that you are considering donating, please plan to include that with your communication to us here at the UW Foundation.



Brett Befus

Associate Vice President for Development

UW Foundation

222 S. 22nd Street

Laramie, WY 82070

pg@uwyo.edu

(307) 766-4259