

## IN THE SUPREME COURT OF OHIO

|                               |   |                                     |
|-------------------------------|---|-------------------------------------|
| RONALD E. DAHLGREN, et al.,   | ) | CASE NO. 2014-1655                  |
|                               | ) |                                     |
| Plaintiffs – Appellants,      | ) | On Appeal from the Carroll County   |
|                               | ) | Court of Appeals, Seventh Appellate |
| v.                            | ) | District (Case No. 2013 CA 896)     |
|                               | ) |                                     |
| BROWN FARM PROPERTIES, et al. | ) |                                     |
|                               | ) |                                     |
| Defendants – Appellees.       | ) |                                     |

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**MEMORANDUM IN SUPPORT OF JURISDICTION  
OF APPELLANT CHESAPEAKE EXPLORATION, L.L.C.**

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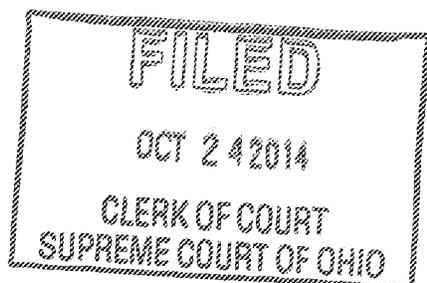
Clay K. Keller (#0072927)  
 J. Alex Quay (#0085130)  
 Jackson Kelly PLLC  
 17 S. Main Street  
 Akron, OH 44308  
 Phone: (330) 252-9060  
 Email: [ckkeller@jacksonkelly.com](mailto:ckkeller@jacksonkelly.com)  
*Attorneys for Appellant,  
 Chesapeake Exploration, L.L.C.*

Eric C. Johnson (#0026010)  
 Johnson & Johnson Law Offices  
 12 W. Main Street  
 Canfield, OH 44406  
 Phone: (330) 533-1921  
 Email: [eric.johnson.epo@gmail.com](mailto:eric.johnson.epo@gmail.com)  
*Attorney for Appellants,  
 Ronald E. Dahlgren, et al.*

J. David Horning (#0046615)  
 400 S. Douglas Highway  
 Gillette, WY 82716  
 Phone: (307) 682-2500  
 Email: [dave@coxhorning.com](mailto:dave@coxhorning.com)  
*Attorney for Appellee, Thomas Beadnell*

John Rambacher (#0036760)  
 Michael Kahlenberg (#0082435)  
 825 S. Main Street  
 North Canton, OH 44720  
 Phone: (330) 639-2440  
 Email: [jrambacher@wr-law.com](mailto:jrambacher@wr-law.com)  
*Attorneys for Appellee,  
 Brown Farm Properties, LLC*

Sean R. Smith (#0003548)  
 P.O. Box 252  
 Carrollton, OH 44615  
 Phone: (330) 627-4770  
 Email: [sean@childersandsmith.com](mailto:sean@childersandsmith.com)  
*Attorney for Appellee, Brian Wagner*



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**I. THIS CASE IS OF PUBLIC OR GREAT GENERAL INTEREST**

This case involves issues of law relevant to thousands of Ohio residents and conflicting claims of ownership to thousands of acres of valuable oil, gas, and other mineral rights located in Ohio pursuant to an application of R.C. 5301.56, commonly referred to as the Ohio Dormant Mineral Act (the “ODMA”). The importance of the legal issues involving the interpretation and application of the ODMA have already been recognized by this Court, which has accepted jurisdiction over four other appeals involving the ODMA. *See Corban v. Chesapeake Exploration, L.L.C.*, Case No. 2014-0804; *Chesapeake Exploration, L.L.C. v. Buell*, Case No. 2014-006; *Dodd v. Croskey*, Case No. 2013-1730; and *Walker v. Shandrick-Nau*, Case No. 2014-0803.

Appellant Chesapeake Exploration, L.L.C. (“Chesapeake”), is a party of record in the *Corban* and *Buell* appeals pending before the Court. Chesapeake is not a party in *Dodd* or *Walker*. The issues involved in *Corban* and *Walker* overlap the legal issues involved in this matter concerning the fundamental issue of whether the prior version of R.C. 5301.56 (often referred to as the “1989 ODMA”) or the amended version of the statute (referred to as the “2006 ODMA”) applies to quiet title actions filed after the statute’s amendment in 2006. For the same reasons this Court exercised jurisdiction in *Corban*, *Walker*, *Dodd*, and *Buell*, this case meets the threshold of being a matter of public or great general interest.

Notwithstanding the overlap of issues presented in this case with *Walker* and *Corban*, Appellant urges the Court to accept this matter on appeal for a few reasons. Procedurally, the parties at the trial court specifically briefed the issue over which version of the ODMA should control in currently filed quiet title actions. This case is straightforward in that regard, and does not turn on some of the procedural issues or arguments presented in other cases, which detracted from addressing the underlying purpose of the statute, and how it should be interpreted to fulfill

its purpose. Further, the trial court's decision in this matter has been part of the legal analysis in all of the appellate court decisions involving the ODMA.

Even before the Seventh District held oral argument in this matter, it was addressing certain points of the *Dahlgren* trial court decision. *See Walker v. Shondrick-Nau*, 7th Dist. Noble No. 13 NO 402, 2014-Ohio-1499; and *Swartz v. Householder*, 7th Dist. Jefferson No. 13 JE 024, 2014-Ohio-2359. The trial court's decision in this case continues to be cited in further appellate opinions, including *Eisenbarth v. Reusser* 7th Dist. Monroe No. 13 MO 19, 2014-Ohio-3792; *Farnsworth v. Burkhardt*, 7th Dist. Monroe No. 13 MO 14, 2014-Ohio-4184; and *Tribett v Shepard*, 7th Dist. Belmont No. 13 BE 22, 2014-Ohio-4320. Appellant submits that as the Court reviews the substantial issues involving the purpose, interpretation, and application of R.C. 5301.56, there will be a benefit in having this particular matter briefed and argued with the Court directly, rather than merely discussed in the context of other ODMA appeals.

Chesapeake also agrees with the Dahlgren Appellants that acceptance of this matter, if for no other reason, is justified and appropriate to maintain conformity with any result reached by this Court in *Walker* and/or *Corban*. Having successfully obtained a judgment in their favor at the trial court level, Appellants should not be potentially left with no recourse should the appellate court's decision turn out to be in conflict with decisions reached by this Court in *Walker* and/or *Corban*.

Lastly, the competing theories concerning which version of the statute applies, and the assertions that the 1989 ODMA provided for "automatic vesting," (without any further action taken by the surface owner to claim the interest, or any instrument appearing within the record chain of title for the mineral interest to acknowledge the abandonment) has created chaos and stymied oil and gas leasing and development in Ohio. These issues have adversely impacted the public policy of the State of Ohio, which is to encourage the exploration and development of oil

and gas rights. When landowners have competing claims of ownership of the mineral rights, leases cannot be reliably obtained and/or some form of contingent agreement must be put in place between the parties pending an eventual resolution of the matter. Chesapeake urges this Court to exercise jurisdiction over the propositions of law discussed herein, as this case has been an integral part of the legal analysis and jurisprudence on the ODMA.

## II. STATEMENT OF THE CASE AND FACTS

This action was initiated by Appellants Ronald Edward Dahlgren, Elsa Anne Lyle, Helen Mary Dahlgren, Martha Perry Dahlgren, Cynthia Ann Crowder, Daniel Carl Dahlgren, Charles Stephen Dahlgren, and Diane Ellen Pullins (collectively, the “Dahlgrens”) on February 11, 2013, when they filed an action in the Carroll County Court of Common Pleas seeking to quiet title to an interest in certain severed mineral rights (the “Mineral Estate”). The Dahlgrens filed suit against Appellees Brown Farm Properties, LLC, Brian Wagner, and Thomas Beadnell (collectively, the “Appellees”), who are the owners of the surface of the tracts associated with the severed Mineral Estate. The Dahlgrens also named Appellee Chesapeake Exploration, L.L.C. (“Chesapeake”) as a Defendant.<sup>1</sup> In response to the Complaint, the Appellees asserted counter and cross-claims to quiet title in the Mineral Estate in their favor based on an application of R.C. 5301.56.

On August 5, 2013, the parties submitted Joint Stipulations of Fact (the “Stipulations”), the relevant title records of which are summarized as follows:

**September 17, 1949** – Carl and Leora Dahlgren<sup>2</sup> created the severed mineral estate via a Deed recorded on September 17, 1949, in Deed Book 121, Page 300. The Deed conveyed

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<sup>1</sup> Chesapeake was named as a Defendant in the lawsuit because it holds an interest in the Mineral Estate as the current lessee of oil and gas leases executed by the Dahlgrens.

<sup>2</sup> The Dahlgrens are the heirs and successors of Leora Perry Dahlgren and Charles Perry Dahlgren. *See Stipulations* at ¶ 12.

expressly reserved the oil and gas underlying the property (the “Mineral Estate”). See Stipulations at ¶ 2.

**August 24, 1999** – Appellee Thomas Beadnell acquired an interest in approximately 10.619 acres of the property subject to this dispute via a Deed recorded on August 23, 1999, in Deed Book 290, Page 341. *Id.* at ¶ 8.

**March 7, 2007** – Appellee Brown Farm Properties, LLC acquired an interest in approximately 168.449 acres of the property subject to this dispute via a Deed recorded on March 9, 2007 in Official Record Book 37, Page 282. *Id.* at ¶ 6.

**July 2009 to December 2009** – Appellants Cynthia Ann Crowder, Diane Ellen Pullins, Martha Perry Dahlgren, Elsa Anne Lyle, Helen Mary Dahlgren, Ronald Edward Dahlgren, and Daniel Carl Dahlgren executed separate Oil and Gas Leases in favor of Anschutz Exploration Corporation (“Anschutz”), covering their respective interests in the Mineral Estate (the “Dahlgren Leases”). Separate Memoranda corresponding to each of the Dahlgren Leases were recorded in the Carroll County Recorder’s Office. *Id.* at ¶30.

**May 26, 2010** – Appellee Brian Wagner acquired an interest in approximately 49.089 acres of the property subject to this dispute via a Deed recorded on June 2, 2010, in Official Record Book 60, Page 1277. *Id.* at ¶ 7.

**June 29, 2011** – Appellant Charles Dahlgren executed an Oil and Gas Lease in favor of Appellant Chesapeake, recorded on January 13, 2012, in Official Record Book 78, Page 3483, covering his respective interest in the Mineral Estate. *Id.* at ¶ 29.

**March 2012** – Appellee Brown Farm Properties, LLC mailed a “Notice of Intent to Declare the Abandonment of Mineral Interest (Ohio Revised Code Section 5301.56)” to the Dahlgrens and Chesapeake. *Id.* at ¶ 32.

**December 20, 2012** – Anschutz assigned its rights in the Dahlgren Leases to Chesapeake via an Assignment recorded on December 20, 2012, in Official Record Book 65, Page 1926. *Id.* at ¶ 31.

On November 5, 2013, Judge Richard Markus, sitting by assignment as a visiting judge appointed by the Supreme Court of Ohio, issued a judgment finding that the 1989 ODMA required some action on the part of the Appellees to claim abandonment of the Mineral Estate.<sup>3</sup> Therefore, the trial court determined that Appellees were required to follow the procedures set forth by the 2006 DMA. Because Appellees had failed to do so, the court ruled that the severed Mineral Estate had not been abandoned by the Appellants. On November 27, 2013, Appellees

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<sup>3</sup> On November 13, 2013, the trial court issued a Nunc Pro Tunc Corrected Opinion, which did not substantively alter its decision.

filed a timely notice of appeal. On September 9, 2014, the Seventh District Court of Appeals reversed the trial court's decision, finding that: (1) the 1989 ODMA may still be applied to actions filed after the 2006 amendments because the prior version of the statute is self-executing, and (2) an "automatic vesting" application of the 1989 DMA is not violative of a severed mineral interest holder's due process rights.

On September 25, 2014, Appellants Ronald Dahlgren, et al. filed a notice of appeal and memorandum in support of jurisdiction regarding two propositions of law: (1) because the 2006 amendments to R.C. 5301.56 were remedial in nature and intended to apply retrospectively, courts should apply the 2006 ODMA to currently filed actions; and (2) the twenty-year look back period under the 1989 ODMA should be measured from the date a lawsuit is commenced to determine ownership of a severed mineral estate.

### III. ARGUMENT IN SUPPORT OF PROPOSITIONS OF LAW

**Chesapeake's Proposition of Law No. I: The 2006 version of R.C. 5301.56 controls in the ODMA proceedings and quiet title action initiated by Plaintiff after 2006.**

*and*

**Chesapeake's Proposition of Law No. II: The 1989 version of the ODMA does not provide for an "automatic" transfer of mineral rights from record holders to surface owners.**

Propositions of Law I and II are closely related and should be considered together.

#### **A. The 2006 Version of R.C. 5301.56 Controls this Quiet Title Action Filed in 2013.**

The Seventh District Court of Appeals erred in applying the 1989 ODMA, along with the concept of "automatic vesting," to decide the proceedings and quiet title action initiated by the Dahlgren Appellants. In reaching its decision, the appellate court incorrectly construed the underlying purpose of the ODMA and the provisions of the 1989 ODMA. The court has

improperly added to the prior statute in order to now make it operate in an automatic, self-effectuating manner which is not supported by the language employed in the statute. Moreover, the appellate court has improperly disregarded the fact that the 2006 amendments to the statute were remedial and specifically directed at amending the procedure and correcting the ambiguities of the 1989 ODMA.

For quiet title actions asserted by surface owners at this time, the appropriate course is for surface owners to follow the procedure currently in place under R.C. 5301.56. It is inappropriate for surface owners, and courts, to now declare (over two decades later) that the 1989 ODMA “automatically” transferred title to the mineral rights because it plainly did not. The quiet title procedure now being used by appellees and surface owners under the 1989 ODMA is the procedure logically required under the prior version of the statute. Having done nothing while the 1989 ODMA was in effect, however, the appellees in this matter are required to follow the current procedure under the statute if they want to acquire title to the mineral rights at issue. The trial court correctly analyzed these issues and its decision should be affirmed.

**1. The Purpose of the ODMA is Effectuated by Applying the Current Version of the Statute.**

The purpose of the Marketable Title Act, which includes the ODMA, is expressly set forth in R.C. 5301.55, which provides:

Sections 5301.47 to 5301.56, inclusive, of the Revised Code, shall be liberally construed to effect *the legislative purpose of simplifying and facilitating land title transactions by allowing persons to rely on a record chain of title* as described in section 5301.48 of the Revised Code, subject only to such limitations as appear in section 5301.49 of the Revised Code.

*Id.* (Emphasis added.)

The purpose of the ODMA is not to “automatically” reunite a severed mineral interest with the owner of the surface at the first opportunity of inactivity for any twenty-year period.

Rather, the ODMA is a recording statute which is neutral regarding whether mineral rights are held by a surface owner, or by another person. The purpose of the ODMA is to create and maintain a clear title record as to the rights so that those mineral rights can be developed without concerns that an adverse claim may arise. The court's decision in *Dodd v. Croskey*, 7th Dist. Harrison No. 12 HA 6, 2013-Ohio-4257, is in accord with the significance of this issue. In *Dodd*, the court held that if a holder of a severed mineral estate files a proper claim to preserve the interest within 60 days of a surface owner's notice of intent to abandon being served under the ODMA, it does not matter whether a savings event occurred during the preceding twenty years before the notice because the act of filing the claim to preserve accomplishes the purpose of the statute. *Id.* at ¶ 34. This is because a claim to preserve will reflect the owner of the mineral interest in the title record. Likewise, if the holder does not timely file a claim to preserve within 60 days, the purpose of the ODMA is also fulfilled. In either circumstance, an instrument clarifying ownership of the mineral interest will be filed of record with the county recorder.

The conclusion of automatic vesting under the 1989 ODMA adopted by the appellate court in this matter and other recent cases directly undercuts the very purpose of the statute. It provides for a situation where a transfer of ownership in the mineral rights can occur *outside* the record chain of title, resulting in an unreliable record with regard to ownership. Moreover, when the legislature amended R.C. 5301.56 to correct its ambiguities and clarify the procedures, *infra*, it did the opposite of endorsing or affirming a concept of an "automatic" loss of the mineral rights by a holder and transfer of the same to the owner of the surface.

**2. Applying the 1989 ODMA and Automatic Vesting in Favor of Plaintiff Effects a Forfeiture of Appellant's Private Property Rights, which the Law Abhors.**

The court's holding that the 1989 ODMA applies in a self-executing manner strips away a record holder's property rights and awards them to a surface owner for no sound reason. The

ODMA was not intended to create forfeitures of severed mineral interests at every opportunity. In fact, the law abhors forfeiture and such results should be avoided. *Ohio Dept. of Liquor Control v. Sons of Italy Lodge 0917*, 65 Ohio St.3d 532, 534, 605 N.E.2d 368 (1992), quoted at *Sogg v. Zurz*, 121 Ohio St.3d 449, 2009-Ohio-1526, 905 N.E.2d 187 at ¶ 9. It is these private property rights that are expressly protected by the Ohio Constitution's directive that "[p]rivate property shall ever be held inviolate[.]" Ohio Const., Art. I §19. This concept is self-explanatory, but this Court has affirmed these property rights stating, "The right of private property is an *original and fundamental* right, existing anterior to the formation of government itself." *City of Norwood v. Horney*, 110 Ohio St.3d 353, 2006-Ohio-3799, 853 N.E.2d 1115 at ¶ 36. (Emphasis sic.) "Ohio has always considered the right of property to be a fundamental right. \*\*\* There can be no doubt that the bundle of venerable rights associated with property is strongly protected in the Ohio Constitution and must be trod upon lightly, no matter how great the weight of other forces." *Id.* at ¶ 38. Therefore, an interpretation of the 1989 ODMA as providing for an automatic forfeiture of a severed mineral interest holder's property rights, without notice, cannot be correct.

### **3. The Procedural Ambiguities in the 1989 ODMA Were Addressed with the Amendments Made in 2006.**

The "ambiguity of the 1989 version of the ODMA is readily apparent." *Eisenbarth v. Reusser*, 7th Dist. Monroe No. 13 MO 10, 2014-Ohio-3792 (DeGenaro, P.J., concurring) at ¶ 65. Competing interpretations of the application of the 1989 ODMA have been advanced in every ODMA case by trial and appellate courts. The General Assembly recognized the inherent ambiguity in the statute during the legislative process surrounding the enactment of the 2006 ODMA: "Unfortunately, Ohio's Dormant Mineral Statute has seldom been used, in large measure because the statute did not clearly define when a mineral interest became abandoned

and exactly how the process to reunite the mineral ownership with the surface ownership was to be accomplished. House Bill 288 *removes the ambiguity in the existing statute.*” (Emphasis added.) *Eisenbarth*, 2014-Ohio-3792 (DeGenaro, P.J., concurring) at ¶ 108, quoting H.B. 288 Rep. Mark Wagoner, Sponsor Testimony before the Ohio House Public Utilities Committee.

As of June 20, 2006, the 1989 ODMA was repealed and amended by the 2006 ODMA.

As explained by Judge DeGenaro:

The 2006 version of R.C. 5301.56 does what the General Assembly intended the 1989 ODMA to do but failed to achieve: balance the complementary policy goals of creating a reliable record chain of title via the Ohio Marketable Title Act (OMTA) statutory scheme—which includes the ODMA—and facilitate economic use of mineral rights. The Ohio General Assembly recognized that the 1989 ODMA had technical problems and was thus seldom used. Specifically, the 1989 ODMA failed to define how to calculate the 20 year look-back period before *allowable* vesting can occur – to use the General Assembly’s verbiage – and define the process to reunite the interests in the surface owner. The 2006 ODMA corrected inoperable, not merely ambiguous, statutory language. The current version of R.C. 5301.56 not only clarifies the process, it specifies the look-back period trigger and mandates notice to the holder before the mineral rights are deemed abandoned; only then can *allowable* vesting occur with the surface owner.

*Eisenbarth*, 2014-Ohio-3792 (DeGenaro, P.J., concurring) at ¶ 70.

Instead of allowing surface owners to regress to a law which is procedurally ambiguous and defective, the proper course is to apply the 2006 ODMA in effect today to claims filed after 2006. As the United States Supreme Court has stated, “a court should ‘apply the law in effect at the time it renders its decision’...even though the law was enacted after the events that gave rise to the suit.” *Landgraf v. USI Film Products*, 511 U.S. 244, 273, 114 S.Ct. 1483 (1994), citing *Bradley v. School Bd. of Richmond*, 416 U.S. 696, 711, 94 S.Ct. 2006, 40 L.Ed.2d 476 (1974). The 2006 ODMA removes the uncertainties in the prior law by setting forth procedures for a surface owner seeking abandonment and vesting of a mineral interest, and the law should be followed.

The desire of Plaintiff and other surface owners filing ODMA actions to have courts now go back and apply a repealed and amended version of the statute to effect widespread forfeitures of thousands of acres of valuable property rights must be rejected. The legislature clarified the procedure under R.C. 5301.56 in a manner that does not reflect the concept of an automatic transfer of property rights as surface owners are seeking. As stated by Judge DeGenaro's concurring opinion in *Eisenbarth*:

Viewed from the perspective that the 2006 ODMA is in effect, coupled with the General Assembly's expressed reasons for making those amendments, and that statutes in derogation of common law must be strictly construed to preserve individual property rights, the phrase 'deemed abandoned and vested' in R.C. 5301.56(B)(1), should be construed as defining an inchoate right.

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The current version of R.C. 5301.56 not only clarifies the process, it specifies the look-back period trigger and mandates notice to the holder before the mineral rights are deemed abandoned; only then can *allowable* vesting occur with the surface owner.

*Eisenbarth* (DeGenaro, P.J. concurring) at ¶¶ 69-70.

Given the General Assembly's statement of intent based on the 2006 amendments, to now review an ODMA claim and determine that the 1989 ODMA "automatically" transferred property rights from one person to another (over two decades ago) does not make sense. Such a result is contradicted by the legislative intent and black letter law, which protects private property rights and abhors forfeitures of the same.

If the Appellees' predecessors had taken action under the 1989 ODMA by filing a quiet title action they may have been able to utilize the presumption of the mineral rights being "deemed abandoned and vested," *if* they could show that none of the six enumerated events applied to the twenty year period. The Dahlgrens would have had an opportunity to challenge the surface owner's abandonment claims. Under these circumstances, the Appellees' predecessors in

title may have been able to effectuate a transfer and vesting of the Mineral Estate from the Dahlgrens themselves *if* none of the six enumerated events applied. However, the Appellees' predecessors took no such action so there was no determination, transfer, or vesting of the Mineral Estate from the Dahlgrens to the owners of the surface. Therefore, any current action taken by the Appellees pursuant to R.C. 5301.56 must be pursued in accordance with the current law and clarified procedures. To allow otherwise, creates an unduly harsh result for those relying on the record chain of title, for which the doctrine of laches also applies. *See Eisenbarth* (DeGenaro, P.J. concurring) at ¶¶ 90-91.

**B. The Appellate Court's Decision in this Matter is not in Accord with the Statutory Language or Purpose of the Dormant Mineral Act.**

The plain language of the 1989 ODMA itself does not provide for "automatic" vesting. Rather, section (B)(1) of the statute provides that under certain circumstances a severed mineral interest "shall be deemed abandoned and vested in the owner of the surface of the lands subject to the interest." The words "automatic" or "automatically" do not appear in the statute. The "deemed abandoned and vested" language is "less than conclusive" and is suggestive of providing standards, but not resolving any issue of ownership of the severed mineral interest. *See Dahlgren v. Brown Farm Properties*, Carroll C.P. No. 13 CVH 27445 (Nov. 5, 2013) at 15. The trial court compared this language to portions of the Marketable Title Act, which establish that certain unprotected rights are "null and void" or "extinguished," with the ODMA's language that the property rights shall be "deemed abandoned." *Id.* Considering that R.C. 5301.56 is codified as part of the Marketable Title Act, Plaintiff's interpretation of the 1989 ODMA is irreconcilable with other provisions of the Act. *See Eisenbarth* (DeGenaro, P.J. concurring) at ¶ 85.

The court erred based upon an incorrect construction of the word “vested,” taken from the phrase “deemed abandoned and vested,” which appears in both versions of the ODMA. *Walker* at ¶¶ 39-40. The court’s holding does not recognize, however, that the term “deemed” modifies both “abandoned” and “vested” *See Cravens v. Cravens*, 12th Dist. Warren No. CA-2008-02-033, 2009-Ohio-1733, at ¶ 63 (noting that statutory construction requires phrases that use the conjunction “and” to be read together and not independently). Thus, under the 1989 DMA, a severed mineral interest may be “deemed vested” indicating that a surface owner must take additional action for the right to become “vested.” The phrase should not be read as “deemed abandoned” and “vested.” Hence, the phrase used in the statute does not effectuate an automatic transfer of the mineral interest.

If the legislature intended to affirm an “automatic vesting” concept when addressing the ambiguities in the 1989 ODMA it would have done so in 2006. Instead, the legislature did the opposite and made it absolutely clear that there is no automatic transfer and vesting of a mineral interest in the surface owner. The legislature also made it clear that vesting of a mineral interest in the owner of the surface cannot occur outside the mineral title chain of record. *See Eisenbarth* (DeGenaro, P.J. concurring) at ¶ 94. R.C. 5301.56 does not, nor can it, cause minerals to be used, developed, left idle, forgotten, or remembered. Instead, the statute is only specifically directed at creating and facilitating a reliable record chain of title for mineral interests. The automatic vesting interpretation adopted by the appellate court undercuts the purpose of the statute because it creates a situation where a transfer of ownership in the mineral rights can occur outside of the record chain of title – in direct contravention of the legislative purpose of the Marketable Title Act of which the ODMA is a part. *Id.* at ¶ 106.

**Chesapeake's Proposition of Law No. III: The 2006 version of the DMA applies retrospectively to severed mineral interests created prior to its effective date.**

The Seventh District erred in its analysis regarding the retrospective nature involving both versions of R.C. 5301.56. The court effectively found that the 1989 ODMA applies retrospectively, to periods of time before its enactment, but the 2006 ODMA cannot be applied retrospectively. However, both versions of the ODMA, by their express terms, apply to a “preceding” twenty-year period and thus operate retrospectively. The only reasonable conclusion is that the legislature intended both versions to be applied in a retrospective manner. Applying the current law and procedures retrospectively to evaluate whether the severed mineral rights can be “deemed abandoned and vested” for the period in question is the proper interpretation of the statute and the correct course of action.

**IV. CONCLUSION**

Ohio courts have been inundated with lawsuits involving the interpretation and application of R.C. 5301.56. The purpose of the ODMA, as part of the Marketable Title Act, is to address a potential title problem which can result from severed mineral estates. When interpreted within the context of the Marketable Title Act, the 1989 and 2006 ODMA can, and should, be applied in a consistent manner which is fair to all parties involved in these disputes so the title problem can be resolved. Resolving the potential title problem created by severed mineral estates, through a consistent application of R.C. 5301.56, advances the public policy of encouraging responsible oil and gas development within the state. Unfortunately, the statute has become unhinged from its purpose and is attempting to be used as an instrument to obtain widespread forfeitures of mineral rights from one group of persons having title to the severed mineral interest to another group of persons who now seek title to the mineral interests.

For all the reasons discussed herein, Chesapeake urges the Court to exercise jurisdiction over this appeal.

Respectfully submitted,



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Clay K. Keller (#0072927)  
Alex Quay (#0085130)  
Jackson Kelly PLLC  
17 South Main Street, Suite 101-B  
Akron, OH 44308  
Phone: (330) 252-9060  
Fax: (330) 252-9078  
Email: [ckkeller@jacksonkelly.com](mailto:ckkeller@jacksonkelly.com)  
[jaquay@jacksonkelly.com](mailto:jaquay@jacksonkelly.com)

*Attorneys for Appellant,  
Chesapeake Exploration, L.L.C.*

**CERTIFICATE OF SERVICE**

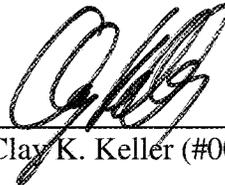
The undersigned certifies that a copy of the foregoing was served upon the following counsel of record by regular U.S. Mail on October 24<sup>th</sup>, 2014:

J. David Horning  
400 S. Douglas Highway  
Gillette, WY 82716

Sean Smith  
P.O. Box 252  
Carrollton, OH 44615

John Rambacher  
825 S. Main St.  
North Canton, OH 44720

Eric C. Johnson  
Johnson & Johnson Law Offices  
12 W. Main Street  
Canfield, OH 44406



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Clay K. Keller (#0072927)

[Cite as *Dahlgren v. Brown Farm Properties L.L.C.*, 2014-Ohio-4001.]

STATE OF OHIO, CARROLL COUNTY  
IN THE COURT OF APPEALS  
SEVENTH DISTRICT

|                          |   |                    |
|--------------------------|---|--------------------|
| RONALD DAHLGREN, et al., | ) |                    |
|                          | ) | CASE NO. 13 CA 896 |
| PLAINTIFFS-APPELLEES,    | ) |                    |
|                          | ) |                    |
| VS.                      | ) | OPINION            |
|                          | ) |                    |
| BROWN FARM PROPERTIES    | ) |                    |
| LLC, et al.,             | ) |                    |
|                          | ) |                    |
| DEFENDANTS-APPELLANTS.   | ) |                    |

CHARACTER OF PROCEEDINGS: Civil Appeal from Common Pleas Court,  
Case No. 13CVH27445.

JUDGMENT: Reversed and Remanded.

JUDGES:  
Hon. Joseph J. Vukovich  
Hon. Gene Donofrio  
Hon. Cheryl L. Waite

Dated: September 9, 2014

[Cite as *Dahlgren v. Brown Farm Properties L.L.C.*, 2014-Ohio-4001.]

APPEARANCES:

For Plaintiffs-Appellees:

Attorney Eric Johnson  
120 West Main Street  
Canfield, Ohio 44406  
(For the Dahlgren)

Attorney Clay Keller  
Attorney Michael Altvater  
One Cascade Plaza, Suite 1010  
Akron, Ohio 44308  
(For Chesapeake)

For Defendant-Appellant:

Attorney John Rambacher  
Attorney Michael Kahlenberg  
825 South Main Street  
North Canton, Ohio 44720  
(For Brown Farm Properties)

Attorney J. David Horning  
400 South Douglas Highway  
Gillette, Wyoming 82716  
(For Thomas Beadnell)

Attorney Sean Smith  
P.O. Box 252  
Carrollton, Ohio 44615  
(For Brian Wagner)

[Cite as *Dahlgren v. Brown Farm Properties L.L.C.*, 2014-Ohio-4001.]  
VUKOVICH, J.

{¶1} The defendant surface owners appeal the decision of the Carroll County Common Pleas Court which granted judgment to the Dahlgren family plaintiffs allowing them to maintain title to their severed mineral interests. The trial court denied the surface owners' assertion that the mineral interests had been abandoned and were automatically reunited with the surface under the 1989 Dormant Mineral Act. The court concluded that as no action was taken by the surface owners prior to the enactment of the 2006 version of the DMA, only the new version applied. Based upon prior holdings of this court, the trial court's decision is reversed, and the case is remanded for the entry of an order of abandonment.

#### STATEMENT OF THE CASE

{¶2} In 1949, Leora Perry Dahlgren sold over 225 acres in Carroll County. At that time, she severed the minerals and reserved them for herself. When she died in 1977, her children inherited her mineral interest. In 2009 and thereafter, the Dahlgren heirs started signing oil and gas leases, which are currently all held by Chesapeake Exploration LLC. In 2012, a notice of intent to declare mineral interests abandoned was sent by a landowner, and some Dahlgren heirs responded by filing claims to preserve the mineral interests. No affidavit of abandonment was then filed by the landowners. Due to the uncertainty, Chesapeake escrowed payments.

{¶3} In 2013, the Dahlgrens filed a declaratory judgment action against surface owners Brown Farm Properties LLC, Brian Wagner, and Thomas Beadnell. The three surface owners filed counterclaims asking the court to find the mineral interests abandoned and asserting that compliance with the 2006 DMA was not required due to the self-executing feature of the 1989 DMA. Chesapeake was named as a defendant but supported the claims of the mineral holders over the surface owners.

{¶4} On August 5, 2013, the parties filed a stipulation. The filing recited the stipulated facts, asked the court to decide the case on the briefs, and acknowledged that no trial was necessary. It was stipulated that the mineral interests were not the subject of any title transactions from March 22, 1969 through March 22, 1992, nor

any time thereafter until a lease was signed for part of the mineral interest in 2009. It was stipulated that no other savings event or condition existed during those times either.

{¶5} The stipulations concluded that if the oil and gas interests have as a matter of law been abandoned and vested in the surface owner by operation of former R.C. 5301.56, then the surface owners are the holders of the mineral interests, but if the oil and gas interests were not as a matter of law abandoned and vested in the surface owner by operation of former R.C. 5301.56, then the surface owners make no claim to the oil and gas underlying the realty. The parties then filed briefs in support of their respective requests for judgment.

{¶6} On November 13, 2013, the trial court ruled that the 2006 DMA controls and thus there was no abandonment. The court noted that the DMA is part of the Marketable Title Act, which states that 5301.47 to 5301.56 shall be liberally construed to effect the legislative purpose of simplifying and facilitating land transactions by allowing reliance on a record chain of title. See R.C. 5301.55. The court found that the surface owners' interpretation conflicts with this legislative purpose. The court also pointed out that forfeitures are not favored. The court expressed "doubt" about the constitutionality of the 1989 DMA as it did not specifically outline how to dispute the abandonment and opined that the 2006 amendments intended to resolve the issue of notice and opportunity to be heard.

{¶7} The trial court accepted the surface owners' argument that the 1989 DMA deemed rights abandoned if none of the statutory conditions existed within twenty years of March 22, 1989 with allowance for the three year grace period. However, the court found that at most, the lack of a statutory savings event created inchoate rights, essentially opining that the statute could not actually vest an ownership interest without judicial confirmation or opportunity for the mineral owner to contest the lack of a saving events. The court concluded that before a right could become more than inchoate, the 1989 DMA impliedly required implementation, such as by a recorded abandonment claim or court proceedings to confirm abandonment.

{¶8} The court added that absent implementation or enforcement of abandoned rights before the 2006 amendments, the surface owner lost the opportunity to proceed under the 1989 DMA and must now comply with the 2006 procedures. On this topic, the court found that existing procedures govern a court proceeding, opining that the changes were procedural ones that did not affect substantive rights. The surface owners filed a timely notice of appeal.

#### DORMANT MINERAL ACT

{¶9} The 1989 Dormant Mineral Act became effective on March 22, 1989 in R.C. 5301.56 as an addition to the Ohio Marketable Title Act, which is contained within R.C. 5301.47 through R.C. 5301.56. The 1989 DMA provides that a mineral interest held by one other than the surface owner “shall be deemed abandoned and vested in the owner of the surface” if no savings event occurred within the preceding twenty years. R.C. 5301.56(B)(1)(c) (unless the mineral interest is (a) in coal or (b) held by the government).

{¶10} The six savings events are as follows: (i) the mineral interest was the subject of a title transaction that has been filed or recorded in the recorder’s office, (ii) there was actual production or withdrawal by the holder, (iii) the holder used the mineral interest for underground gas storage; (iv) a mining permit has been issued to the holder; (v) a claim to preserve the mineral interest was filed; or (vi) a separately listed tax parcel number was created. R.C. 5301.56(B)(1)(c)(i)-(vi).

{¶11} The statute provided the following grace period: “A mineral interest shall not be deemed abandoned under division (B)(1) of this section because none of the circumstances described in that division apply, until three years from the effective date of this section.” R.C. 5301.56(B)(2). There were no obligations placed upon the surface owner prior to the statutory abandonment and vesting.

{¶12} On June 30, 2006, amendments to the DMA became effective. No grace period was provided. The language in division (B), “shall be deemed abandoned and vested in the owner of the surface,” now operates only if none of the savings events apply and “if the requirements established in division (E) of this section are satisfied.” R.C. 5301.56(B).

{¶13} “Before a mineral interest becomes vested under division (B) of this section in the owner of the surface of the lands subject to the interest,” the surface owner shall provide a specific notice and file a timely affidavit of abandonment with the county recorder. R.C. 5301.56(E). See also R.C. 5301.56(E)(1) (notice by certified mail return receipt requested to each holder or each holder’s successors or assignees, at the last known address, but if service of notice cannot be completed to any holder, then notice by publication), (E)(2) (affidavit of abandonment must be filed at least 30 but not later than 60 days after date notice is served or published), (F), (G) (specifying what the notice and affidavit must contain). In addition, the new twenty-year period for finding abandonment looks back from the date of this notice.

{¶14} The 2006 DMA also adds that that a mineral holder who claims an interest has not been abandoned may file with the recorder: (a) a claim to preserve or (b) an affidavit containing a savings event within 60 days after the notice of abandonment is served or published. R.C. 5301.56(H)(1). If no such timely document is recorded, then the surface owner “who is seeking to have the interest deemed abandoned and vested in the owner” shall file with the recorder a notice of the failure to file. R.C. 5301.56(H)(2) (was called memorialization; changed to “notice of failure to file” on January 31, 2014). “Immediately after” such recording, “the mineral interest shall vest in the owner of the surface \* \* \*.” *Id.*

#### ASSIGNMENT OF ERROR NUMBER ONE

{¶15} The appellant surface owners set forth two assignments of error, the first of which provides: “The trial court erred in retroactively applying the 2006 version of the Ohio Dormant Mineral Act to a mineral interest that was deemed automatically abandoned and vested in the Surface Owners, pursuant to a previous version of the Act.”

{¶16} Appellants assert that the 1989 DMA contains an automatic, self-executing feature by stating that the mineral interest shall be deemed abandoned and vested in the owner of the surface if none of the savings conditions apply in the pertinent time period. They argue that the 2006 DMA was not expressly made retrospective and thus its new procedures and rights should be applied only

prospectively without erasing previous mineral interests that automatically vested in the surface owner, citing R.C. 1.48. Appellants point out that a reenactment, amendment, or repeal does not affect the prior operation of a statute or any right, privilege, or obligation previously acquired, accrued, accorded, or incurred under the prior statute, citing R.C. 1.58.

{¶17} It is urged that the trial court erred in creating an affirmative duty on the part of the surface owner where the statute contains no such duty. Appellants conclude that a court cannot imply that certain acts must be done in order for a surface owner to maintain vested rights under a statute and that if such acts are not done by the time a new statute is enacted, then the surface owner loses the ability to proceed to have their previously vested rights declared by a court.

{¶18} Appellees respond that the mere fact of a look-back period shows that the DMA was intended to apply retrospectively. They insist that the 2006 amendments deal only with procedural and remedial matters and do not affect substantive rights, urging that a surface owner still has a right to recapture the minerals under the 2006 act but must follow various new procedures in order to do so. They contend that the only right given to the surface owners under the 1989 DMA was the potential for abandonment and vesting, which potential still exists after the 2006 amendments. Appellees agree with the trial court's position that any right was inchoate and conclude that the 1989 DMA was not automatic or self-executing because such words were not contained in the statute.

{¶19} Appellees state that there was no prior operation of a statute under R.C. 1.58 because no judicial action or official act was instituted under that statute while it existed. It is also suggested that the twenty-year period in the 1989 DMA be read looking back twenty years from the date of a court action, concluding that if one does not file an action during the existence of the act, there can be no action filed under the act. Appellees note that we did not discuss the 1989 DMA and applied only the 2006 DMA in *Dodd*. They assert that the word "deemed" merely created a rebuttable presumption and refer to the legislative intent stated in R.C. 5301.55 that

the statutes shall be liberally construed to simplify and facilitate land transactions by allowing reliance on the record chain of title.

{¶20} The statement in the MTA, that the statutes are to be liberally construed to facilitate and simplify land transactions by allowing reliance on the record chain of title, does not mandate a holding that the 1989 DMA can no longer be utilized after the 2006 amendment. As they state that the 1989 DMA could have been utilized prior to the 2006 DMA, until that point and prior to official confirmation, the title records on an abandoned mineral interest would have been just as unclear then as they are said to be now. In other words, if there was not an irreconcilable conflict during the time of the 1989 DMA,<sup>1</sup> we cannot say such conflict is created as to a prior statute due to the mere enactment of a new version.

{¶21} In any event, this was merely a consideration proposed to support the trial court's decision and was not the ultimate ruling by the trial court. As to our *Dodd* case, this was our first encounter with the DMA, and those parties only presented arguments concerning the 2006 DMA and did not present arguments to this court under the 1989 DMA. See *Dodd v. Croskey*, 7th Dist. No. 12HA6, 2013-Ohio-4257. We have thus instructed that the lack of reference to the 1989 DMA in *Dodd* is not dispositive as to whether the 1989 DMA can still be used to assert vested rights. See *Swartz v. Householder*, 7th Dist. Nos. 13JE24, 13JE25, 2014-Ohio-2359, ¶ 17 (if parties do not invoke a statute, we proceed under the impression that the parties agreed that said statute was not dispositive, e.g. if parties were to agree that there was no abandonment under the 1989 DMA, then they would proceed under only the 2006 DMA, and we would accept that position).

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<sup>1</sup>In *Swartz*, we addressed a suggestion that the 1989 DMA was invalid because it wholly conflicted with the purpose of the MTA. We pointed out that R.C. 1.51 states that if a general provision conflicts with a special provision, they shall be construed if possible by giving effect to both, and if the conflict is irreconcilable, the special prevails as an exception to the general provision, unless the general provision is the later adoption and the manifest intent is that the general provision prevail. *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 20, citing *Summerville v. Forest Park*, 128 Ohio St.3d 221, 2010-Ohio-6280, 943 N.E.2d 522, ¶ 26-33. We then stated that the DMA is more specific, it was enacted later, and the legislative intent is clearly to reattach mineral interests back to the surface under a twenty-year look back. *Id.*

{¶22} In both *Swartz* and *Walker*, this court ruled on the issue of whether the 1989 DMA can still be used to declare mineral interests abandoned thereunder. In *Walker*, we first concluded that the 1989 DMA can still be used after the 2006 amendments because the prior statute was self-executing and the lapsed right automatically vested in the surface owner. See *Walker v. Shondrick-Nau*, 7th Dist. No. 13NO402, 2014-Ohio-1499 (fka *Walker v. Noon*). In *Swartz*, this court maintained the *Walker* holding and reiterated its rationale. In fact, arguments were made to this court in those appeals as to whether this court should adopt the trial court's holding in the very case before us now, and we declined to do so.

{¶23} We opined that the 1989 DMA is the type of statute characterized by automatic lapsing and reversion to the surface owner known as a self-executing statute due to the language "shall be deemed abandoned and vested in the owner of the surface if none of the statutory conditions exist." *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 27, citing *Walker* and *Texaco*, 454 U.S. 516 (Indiana's DMA was self-executing as it provided the mineral interest shall be extinguished and ownership shall revert upon the non-occurrence of savings events within the pertinent time period).

{¶24} This court reviewed R.C. 1.48 and R.C. 1.58 in *Walker* and *Swartz*. Pursuant to R.C. 1.58(A), the reenactment, amendment, or repeal of a statute does not affect the prior operation of the statute or any prior action taken thereunder. R.C. 1.58(A)(1). In addition, the reenactment, amendment, or repeal of a statute does not affect any validation, cure, right, privilege, obligation, or liability previously acquired, accrued, accorded, or incurred thereunder. R.C. 1.58(A)(2). And, the reenactment, amendment, or repeal of a statute does not affect any proceeding or remedy in respect of any such privilege, obligation, or liability and the proceeding or remedy may be instituted, continued, or enforced as if the statute had not been repealed or amended. R.C. 1.58(A)(4).

{¶25} Pursuant to R.C. 1.48, "[a] statute is presumed prospective in its application unless expressly made retrospective." In accordance, a statute must "specifically indicate" that it applies retroactively or it will be implemented as applying

only prospectively. See, e.g., *State v. Ferguson*, 120 Ohio St.3d 7, 2008-Ohio-4824, 896 N.E.2d 110, ¶ 15 (to overcome the presumption that it applies only prospectively, the legislature must “clearly proclaim” the retroactive application); *State ex rel. Cincinnati Enquirer v. Jones-Kelley*, 118 Ohio St.3d 81, 2008-Ohio-1770, 886 N.E.2d 206, fn. 2 (not retroactive because legislature did not specify that statute applied retrospectively and no indication that law was clarification as opposed to modification); *Doe v. Archdiocese of Cincinnati*, 109 Ohio St.3d 491, 2006-Ohio-2625, 849 N.E.2d 268, ¶ 40 (if a statute is silent on intent to apply retrospectively, then it applies only prospectively); *Bartol v. Eckert*, 50 Ohio St.31, 33 N.E. 294 (1893).

{¶26} We concluded that the statute to be applied is the one existing at the time the cause of action accrued unless the new statute existing at the time the suit was filed enunciates that it applies to causes of action that accrued prior to the effective date. *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 29, citing the above cases and adding *Groch v. Gen. Motors Corp.*, 117 Ohio St.3d 192, 2008-Ohio-546, 883 N.E.2d 377, ¶ 179, 183 (where new statute clearly said that it applied to suits filed after its effective date, it had retroactive application to injuries that occurred prior to enactment). See also *Walker*, 7th Dist. No. 13NO402 at ¶¶45-50, reviewing *Cadles of Grassy Meadows, II, LLC v. Kistner*, 6th Dist. No. L-09-1267, 2010-Ohio-2251, ¶17 (a new statute of limitations for revivor of judgments, which shortened the time for such action, did not apply to judgments that became dormant prior to enactment where that new statute of limitations contained no clear expression of retrospective application, even though the statute was enacted before the revivor action was filed).

{¶27} This court stated that a vested interest can be a property right created by statute; a vested interest so completely and definitely belongs to a person that it cannot be impaired or taken away without the person’s consent. See *Walker*, 7th Dist. No. 13NO402 at ¶ 40, quoting *State ex rel. Jordan v. Industrial Comm.*, 120 Ohio St.3d 412, 2008-Ohio-6137, 900 N.E.2d 150, ¶ 9; *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 29. The 1989 DMA, with its three-year grace period, specifies that the mineral interest is deemed abandoned and the surface owner obtains a

vested right if any of the listed circumstances apply, none of which are disputed on appeal here. See Former R.C. 5301.56(B)(1).

{¶28} The 2006 DMA deals with rights that have not yet been deemed abandoned and vested as it states, "Before a mineral interest becomes vested under division (B) of this section in the owner of the surface of the lands subject to the interest, the owner of the surface subject to the interest shall do both of the following \* \* \*." See *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 35, citing R.C. 5301.56(E). The current DMA thus eliminated automatic vesting after June 30, 2006 (imposing new enforcement obligations on the surface owner and redrawing the savings event timeline).

{¶29} But, this does not mean that it erased interests that were previously deemed vested (merely because a suit had not yet been filed to formalize the reverter). *Id.* The most pertinent definition of the word "deem" here would be: "to treat [a thing] as being something that it is not, or as possessing certain qualities that it does not possess. It is a formal word often used in legislation to create legal fictions \* \* \*." Garner, *The Dictionary of Modern Legal Usage*, 254 (2d Ed.1995).

{¶30} The conclusion made was that when the 2006 version was enacted, any mineral interest that was treated as abandoned under the 1989 version stayed abandoned and continued to be vested in the surface owner, and once the mineral interest vested in the surface owner, it reunited with the surface estate pursuant to statute regardless of whether the event had yet to be formalized. See *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 34, citing *Walker*, 7th Dist. No. 13NO402 at ¶ 41. It was pointed out that the 2006 DMA contains no language eliminating property rights that were previously expressly said to be vested, i.e. it contains no statement that its new requirements for surface owners and the new rights for mineral holders apply retrospectively. See *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 34, citing *Walker*, 7th Dist. No. 13NO402 at ¶ 51. It was therefore decided that absent express language eliminating the prior automatic abandonment and vesting of rights under the old act, the amendments do not affect causes already existing (regardless of whether a suit is filed before or after the amendments). See *id.*

{¶31} We explained that a look-back period (which already existed under the old statute) did not expressly or even implicitly make a statute retroactive. *Id.* at fn. 2. The notice of abandonment is the new trigger for the look-back, which item can only apply prospectively because one could not file a notice of abandonment with the 2006 DMA statutory effects and triggers before it was even created. In other words, the new DMA instituted a *new look-back initiator* (the notice of abandonment) to be employed prospectively in the future. *Id.* It was expressed in *Swartz*:

To some, the result reached by the trial court in *Dahlgren* may seem fair, equitable, and practical under a theory that it is the initial forfeiture that should be abhorred by the law rather than the later forfeiture of a property right obtained by forfeiture in the first place. However, legislatures around the country found such initial abandonment and unification with the surface to be important to the state, and the United States Supreme Court agreed that the state has such legitimate interests.

“It is as if *Dahlgren* construed the amendments to be a type of implied statute of limitations for asserting rights granted under the 1989 DMA. Essentially, *Dahlgren* found that a vested right was eliminated by a non-retrospective statutory amendment (an amendment with no grace period unlike the 1989 DMA). *Dahlgren* concluded that the lack of savings events at most created an inchoate right because judicial action would be required in order to officially transfer ownership on the records (or a recording of a disputed title so the mineral owner could contest the dispute).

“Yet, the terms “inchoate” and “vested” are generally opposites. See, e.g., *Bauman v. Hogue*, 160 Ohio St. 296, 301, 116 N.E.2d 439 (1953); *Walker*, 7th Dist. No. 13NO402 at ¶ 43. An inchoate right is a right that *has not fully developed, matured, or vested*. Black’s Law Dictionary (9th Ed.2009) (online). We conclude that it is contrary to the plain language of the statute to hold that the surface owner’s right to the

abandoned mineral interests are inchoate even though the statute expressly stated that the right vested upon the lack of a savings event within the pertinent time period. Finally, we note that *Dahlgren* expressed concern about the opportunity to contest abandonment without recognizing that the very suit before it was the opportunity to so contest (that there were savings events in the pertinent time period).

“As we held in *Walker*, the 1989 DMA can still be utilized for mineral interests that were deemed vested thereunder \* \* \*.”

*Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶¶ 36-39. See also *Walker*, 7th Dist. No. 13NO402, ¶ 43 (“the *Dahlgren* court’s characterization of the mineral rights under the 1989 version is contrary to the statute itself, which stated that the mineral rights are ‘vested.’”).

{¶32} We also expressed that the 1989 DMA need not be seen as incomplete for failing to mention specific implementation provisions. *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 22. A court action, such as for declaratory judgment or quiet title to formalize the statutory vesting, already legally existed as a matter of course, and a statute need not explain to the reader how they can file a court action to have their vested rights formally declared. *Id.* See also *Texaco v. Short*, 454 U.S. 516, 102 S.Ct. 781, 70 L.Ed.2d 738 (1982) (which emphasized the difference between the self-executing feature of a dormant mineral act and a subsequent judicial determination that a lapse did occur).

{¶33} As we have specifically ruled that the 1989 DMA can still be used to declare mineral interests abandoned, we resort to stare decisis as governing here. This assignment of error is sustained.

#### ASSIGNMENT OF ERROR NUMBER TWO

{¶34} As a second assignment of error, the landowners posit: “The trial court erred in finding application of the Former Act violative of Due Process.”

{¶35} Here, the surface owners wish to preemptively contest any suggestion that the 1989 DMA deprived the mineral holders of an opportunity to dispute the claims, apparently in case the mineral holders raised a cross-assignment. The

surface owners point out that the 1989 DMA provided a three-year grace period during which mineral holders could file a claim to preserve and avoid abandonment. They also state that mineral holders can always file a declaratory judgment or quiet title action, noting that this was the remedy chosen by the Dahlgrens here. They note that the Dahlgrens' inability to prove a savings event because one did not occur has no relation to due process.

{¶36} The Dahlgrens respond to this assignment with suggestions as to unconstitutionality of the 1989 DMA. However, we refuse to render a decision on constitutionality here. As Chesapeake (the Dahlgrens' fellow appellee) points out, the trial court mentioned some constitutional concerns in dicta, but the court refrained from ruling on those issues. This issue assigned by the surface owners as potential error need not be addressed because the trial court did not actually declare that the 1989 DMA was unconstitutional.

{¶37} The trial court's decision is based upon its conclusion that the 1989 Act impliedly requires implementation before it finally settled rights and that absent implementation by the surface owner (by court action or recordation of a document in the recorder's office) prior to the 2006 amendments, the 2006 amendments govern. In explaining what appear to be various policy reasons in support of its conclusion, the court stated that it "doubts" statutory abandonment would be constitutionally enforceable without giving the mineral holder "the opportunity to dispute the relevant claims." The trial court noted the *Texaco* statement regarding due process prior to judgment in a quiet title action and concluded that without notice and an opportunity to be heard, statutory abandonment may violate Art. I, Sec. 19 of Ohio's Constitution. The trial court then *declared that it need not determine that issue* where other considerations reach the same result.

{¶38} The court generally stated that due process mandates notice and opportunity to respond before a dispute about statutory rights can be resolved and mentioned that statutes should be construed in the manner that best confirms their constitutionality. The court then accepted for purposes of its decision that the 1989 DMA deemed the minerals abandoned if none of the statutory conditions existed

within twenty years of March 22, 1989 (or in the three years thereafter). The court concluded that the 1989 DMA created at most an inchoate right and did not transfer ownership without judicial confirmation or other opportunity to contest a claim that there were no relevant savings events. The court added that the 2006 amendments were mere procedural changes and that current procedures governing the dispute must be applied.

{¶39} The trial court's due process expressions challenged by appellants are mere observational concerns and dicta rather than rulings invalidating the 1989 DMA on constitutional grounds. The court's essential holding was that the 1989 DMA could no longer be applied after the 2006 amendments.

{¶40} In *Swartz*, we mentioned that a statute could not be challenged as unconstitutional in a declaratory judgment action without notification to the attorney general of the constitutional challenge. See *Swartz*, 7th Dist. Nos. 13JE24, 13JE25 at ¶ 36, citing R.C. 2721.12 (if any statute \* \* \* is alleged to be unconstitutional, the attorney general also shall be served with a copy of the complaint in the action or proceeding and shall be heard."); *Cicco v. Stockmaster*, 89 Ohio St.3d 95, 98-100, 728 N.E.2d 1066 (2000) (reiterating that this requirement is jurisdictional and finding a problem even where the attorney general was given copy of the summary judgment motion where constitutionality was first raised); *Malloy v. Westlake*, 52 Ohio St.2d 103, 105-107, 370 N.E.2d 457 (1977). This was a declaratory judgment action by the Dahlgrens.

{¶41} Importantly, they did not seek in their complaint to have the 1989 DMA ruled unconstitutional as a violation of due process. In fact, their last filing in the trial court *specified that they do not challenge the constitutionality of the DMA*. (Nov. 1, 2013 Response to Defendant's Request for Judgment). In *Walker* and *Shannon*, we refused to address the matter of whether the 1989 DMA was constitutional where said issue was not properly preserved below. Moreover, the stipulations here concluded that if the oil and gas interests have as a matter of law been abandoned and vested in the surface owner by operation of former R.C. 5301.56, then the defendant landowners are the owners and holders of the mineral interests, but if the

oil and gas interests were not a matter of law abandoned and vested in the surface owner by operation of former R.C 5301.56, then the defendant landowners make no claim to the oil and gas interest underlying their respective real properties.

{¶42} In sum, we have the appellee-Dahlgrens' response below admitting that they did not challenge the constitutionality of the DMA, the concluding stipulations framing the issue the court was asked to address, the current argument of appellee-Chesapeake that there was no ruling by the trial court on constitutionality and thus there is nothing for us to review (which appellants would not contest), the requirement to notify the attorney general of an action to declare a statute unconstitutional, the trial court's mere dubitative language in dicta that it "doubts" the statute would be considered constitutional, and the trial court's overriding conclusion that the 1989 DMA can no longer be applied after the 2006 amendments. Considering all of this, this assignment of error need not be addressed as the trial court was not asked to and did not declare that the 1989 DMA was unconstitutional.

{¶43} In conclusion, the judgment of the trial court is reversed, and the case is remanded for the entry of an order of abandonment.

Donofrio, J., concurs.

Waite, J., concurs.