OIL AND GAS ASSIGNMENTS

Act 66 of 1956

AN ACT to authorize the assignment of oil and gas, and the rents and profits from oil and gas properties, and the income from the sale of oil and gas produced or to be produced from oil and gas properties, as herein defined, whether presently owned or subsequently acquired, as security in, or in connection with, existing or future mortgages or deeds of trust of oil and gas properties.

History: 1956, Act 66, Eff. Aug. 11, 1956

The People of the State of Michigan enact:

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565.81 Oil and gas assignment; security for indebtedness.

Sec. 1.

Hereafter, in or in connection with any existing or future mortgage or deed of trust, it shall be lawful to assign in the mortgage or in a separate written instrument or instruments signed, sealed, acknowledged and proved in the same manner as deeds, all or any part of the oil and gas located in, on or under oil and gas properties, and all or any part of the rents and profits from oil and gas properties, and the income from the sale of oil and gas produced or to be produced from oil and gas properties, to the mortgagee or trustee named in the mortgage or deed of trust as security for the indebtedness secured by the mortgage or deed of trust.

History: 1956, Act 66, Eff. Aug. 11, 1956

565.82 Oil and gas assignment; time of operation.

Sec. 2.

The assignment may contain provisions making it immediately operative, or operative only upon the happening of an event of default as described in the assignment or in the mortgage or deed of trust, or operative at such time as the mortgagee or trustee named in the mortgage or deed of trust may elect, and the assignment may contain further provisions to the effect that when it becomes operative the mortgagee or the trustee named in the mortgage or deed of trust thereupon shall be entitled to the present and full possession, receipt, use and right to the oil and gas, the rents, profits and income, and the oil and gas properties, as security and for application upon the indebtedness secured by the mortgage or deed of trust.

History: 1956, Act 66, Eff. Aug. 11, 1956

565.83 Oil and gas assignment; validity; certified copy; service on pipe line company.

Sec. 3.

The assignment shall become and be and remain effective and a good and valid assignment as against all persons, including the mortgagor or those claiming under or through him, from and after the date of execution and delivery thereof, subject however, as in the case of conveyances of an interest in real estate, to the provisions of chapter 65 of the Revised Statutes of 1846, as amended, being sections 565.1 to 565.49, inclusive, of the Compiled Laws of 1948. The assignment shall not be effective as to pipe line companies or other purchasers taking delivery of

oil and gas produced from the mortgaged oil and gas properties at the time of execution and delivery of the assignment, until an executed or certified copy thereof shall have been served personally or by registered mail on the pipe line company or other purchaser.

History: 1956, Act 66, Eff. Aug. 11, 1956

565.84 Oil and gas assignment; duration of effectiveness.

Sec. 4.

The assignment shall become and be and remain in full force and effect until all of the indebtedness secured by the mortgage or deed of trust is fully paid, satisfied and discharged and the effectiveness in nowise shall be limited, suspended, revoked, or terminated by the occurrence of one or more events of default as described in the assignment or in the mortgage or deed of trust, or by reason of any step taken to foreclose the mortgage or deed of trust, by advertisement or by judicial proceedings, or during the period of redemption following a sheriff's or a judicial sale of the oil and gas properties.

History: 1956, Act 66, Eff. Aug. 11, 1956

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565.85 Oil and gas assignment; definitions.

Sec. 5.

The term "oil and gas" as used herein, shall include oil or gas, or both, and the term "oil and gas properties", as used herein, shall include all types of fee, royalty, leasehold and contract interests and rights, in whole or in part, in all or any part of one or more parcels of real property in this state from which oil and gas is being or may at any time be produced, and all types of royalty, leasehold and contract interests, in whole or in part, in all or any part of oil and gas in place, in production, in storage or in transit; and all types of contract rights to explore for, drill for, produce and transport oil and gas which involve for their creation or termination a conveyance or transfer of an interest in real estate in this state; and all combinations of one or more of the foregoing types of interests or rights.

History: 1956, Act 66, Eff. Aug. 11, 1956