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Chapter 4

Hypothetical Application of Valuation Methods to an Operating Property Which Combines a Going Concern with a Reserve Area

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Synopsis

§ 4.01. Introduction	106
§ 4.02. The Setting – Blue Sky Mining Company	107
§ 4.03. The Appraisal Process	109
[1] — Property Map	109
[2] — Highway Right-of-Way	109
[3] — Property Inspection	110
[4] — Reserve Estimates	111
[5] — Highest and Best Use	112
[a] — Quarry Operations Feasibility Analyses	112
[b] — Comparison to Other Land Uses	113
[6] — Estate to Be Appraised	114
[7] — Approaches to Value	115
[a] — Cost Approach	115
[b] — Sales (Market) Comparison Approach	115
[c] — Income Approach	116
[8] — Before and After	116
[9] — Background Data Collection	118
[10] — Sales Comparison Approach	118
[a] — Relevant Transactions	118
[b] — Value Estimate of the Whole Subject, Before the Takings – Sales Comparison Basis	122
[c] — Value Estimate of the Remainder of the Subject, After the Takings Sales Comparison Basis	122
[d] — Summary of Results, Value of the Part Taken Plus the Value of the Damages/Benefits to the Remainder – Sales Comparison Basis	124

[11] — Income Approach	125
[a] — Background	125
[b] — Before the Taking – Logical Mining Units	126
[c] — Before the Taking – Productivity Levels	126
[d] — Before the Taking – Royalty Rates	126
[e] — Before the Taking – Stone Pricing	126
[f] — Before the Taking – Cost, Fees, and Taxes	126
[g] — Before the Taking – Years of Production	126
[h] — Before the Taking – Discount Rate	127
[i] — Before the Taking – Residual Tons	127
[j] — Before the Taking – Value According to the Royalty Method of the Income Approach – NPV Basis	127
[k] — After the Taking – Value According to the Royalty Method of the Income Approach – NPV Basis	128
[l] — Summary of Results, Value of the Part Taken Plus the Value of the Damages/Benefits to the Remainder – Income Approach	129
[12] — Cost to Cure	130
[a] — “Sanity Check”	132
[b] — Royalty Rate Equivalents	133
[c] — Capitalized Earnings Approach	133
[d] — Reconciliation of Value Estimates	133
§ 4.04. Commentary and Conclusion	134
§ 4.05. Figures	135

§ 4.01. Introduction.

Federal regulations and guidelines, as well as standards set out by well-recognized appraisal institutes can be used to identify the market value of a mineral estate in condemnation proceedings. The following hypothetical example identifies the various factors and procedures that are associated with the derivation of an appropriately developed and reported opinion of value. The setting and circumstances mirror the experiences of the author and are not intended to depict any particular site or condemnation proceeding.