

2019 Regular Session

SENATE BILL NO. 242 (Substitute of Senate Bill No. 179 by Senator Allain)

BY SENATOR ALLAIN

MINERALS. Provides for a continuing security interest clause in mineral leases. (8/1/19)

1 AN ACT

2 To enact R.S. 30:127(H), relative to mineral royalties; to provide for mineral leases; to

3 provide for authority of the State Mineral and Energy Board; to provide for security

4 interests on royalties of oil and gas produced on state lands; to provide for terms,

5 conditions, procedures, requirements, and effects; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 30:127(H) is hereby enacted to read as follows:

8 §127. Opening bids; minimum royalties; terms of lease; deposit; security

9 \* \* \*

10 **H. The board may include in any contract of lease entered into by the**

11 **state, any state agency, or any political subdivision after July 31, 2019, and in**

12 **each previously executed lease entered into that is subsequently assigned,**

13 **amended, or modified by agreement of the parties after July 31, 2019, a clause**

14 **which grants a continuing security interest in and to all as-extracted collateral**

15 **attributable to, produced, or to be produced, from the leased premises or from**

16 **lands pooled or unitized therewith, as security for the prompt and complete**

17 **payment and performance of the lessee's obligation to pay royalties or other**

