

2019 Regular Session

SENATE BILL NO. 115

BY SENATOR WARD

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

MINERALS. Provides relative to exercise of rights and conducting of operations arising from co-ownership of land and mineral rights. (8/1/19)

1 AN ACT

2 To amend and reenact R.S. 31:164, 166, and 175, relative to mineral rights and operations;
3 to provide relative to co-ownership; to provide relative to the rights and
4 consequences arising from co-ownership of land and mineral rights; to provide
5 relative to the creation of servitudes and leases; to provide relative to the exercise of
6 rights and the conducting of operations; to provide certain terms, conditions, consent
7 requirements, procedures, and effects; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 31:164, 166, and 175 are hereby amended and reenacted to read as
10 follows:

11 §164. Creation of mineral servitude by co-owner of land

12 A co-owner of land may create a mineral servitude out of his undivided
13 interest in the land, and prescription commences from the date of its creation. One
14 who acquires a mineral servitude from a co-owner of land may not exercise his right
15 without the consent of co-owners owning at least an undivided ~~eighty~~ **seventy-five**
16 percent interest in the land, provided that he has made every effort to contact such
17 co-owners and, if contacted, has offered to contract with them on substantially the

1 same basis that he has contracted with another co-owner. A co-owner of the land
 2 who does not consent to the exercise of such rights has no liability for the costs of
 3 development and operations, except out of his share of production.

4 * * *

5 §166. Granting of mineral lease by co-owner of land

6 A co-owner of land may grant a valid mineral lease or a valid lease or permit
 7 for geological surveys, by means of a torsion balance, seismographic explosions,
 8 mechanical device, or any other method as to his undivided interest in the land but
 9 the lessee or permittee may not exercise his rights thereunder without consent of
 10 co-owners owning at least an undivided ~~eighty~~ **seventy-five** percent interest in the
 11 land, provided that he has made every effort to contact such co-owners and, if
 12 contacted, has offered to contract with them on substantially the same basis that he
 13 has contracted with another co-owner. A co-owner of the land who does not consent
 14 to the exercise of such rights has no liability for the costs of development and
 15 operations or other costs, except out of his share of production.

16 * * *

17 §175. Co-owner of mineral servitude may not operate independently

18 A co-owner of a mineral servitude may not conduct operations on the
 19 property subject to the servitude without the consent of co-owners owning at least
 20 an undivided ~~eighty~~ **seventy-five** percent interest in the servitude, provided that he
 21 has made every effort to contact such co-owners and, if contacted, has offered to
 22 contract with them on substantially the same basis that he has contracted with
 23 another co-owner. Operations as used in this Section shall include geological
 24 surveys, by means of a torsion balance, seismographic explosions, mechanical
 25 device, or any other method. A co-owner of the servitude who does not consent to
 26 such operations has no liability for the costs of development and operations except
 27 out of his share of production.

28 Section 2. The provisions of this Act shall have prospective application only and
 29 shall apply only to contracts entered into on or after the effective date of this Act.

The original instrument was prepared by Jerry G. Jones. The following digest, which does not constitute a part of the legislative instrument, was prepared by Tammy Crain-Waldrop.

DIGEST

Present law relative to the Louisiana Mineral Code provides for rights, consequences, and operations arising from co-ownership of land and mineral rights.

Present law provides that one who acquires a mineral servitude from a co-owner of land may not exercise his right without the consent of co-owners owning at least an undivided 80% interest in the land. Proposed law changes 80% to 75%.

Present law provides that a co-owner of land may grant a valid mineral lease or a valid lease or permit for geological surveys as to his undivided interest in the land, but the lessee or permittee may not exercise his rights without consent of co-owners owning at least an undivided 80% interest in the land. Proposed law changes 80% to 75%.

Present law provides that a co-owner of a mineral servitude may not conduct operations on the property subject to the servitude without the consent of co-owners owning at least an undivided 80% interest in the servitude. Proposed law changes 80% to 75%.

Provides that the provisions of the proposed law will only have prospective application and will apply only to contracts entered into on or after the effective date of this Act.

Effective August 1, 2019.

(Amends R.S. 31:164, 166, and 175)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Adds language that the provisions will only have prospective application and will apply only to contracts entered into on or after the effective date of this date.