

## RÉSUMÉ DIGEST

ACT 88 (HB 455)

2023 Regular Session

Coussan

Prior law (R.S. 31:11(Heading)) characterized the provisions described in present law (R.S. 31:11) as "correlative rights".

New law replaces "correlative rights" with "reasonable regard".

Existing law (R.S. 31:39) provides relative to the interruption of prescription after production has ceased and prescription has commenced anew with respect to wells or mines.

New law retains existing law and clarifies language.

Prior law (R.S. 31:75) provided for freedom of contract regarding rules of use related to interruption of prescription on a mineral servitude.

New law retains portions of prior law but clarifies that any agreement regarding interruption of prescription cannot be less burdensome.

Existing law (R.S. 31:79) provides relative to prescription when the after-acquired title doctrine applies and extinction of an outstanding servitude.

New law retains existing law and corrects a grammatical error.

Prior law (R.S. 31:114) provided that a single mineral lease may be granted on two or more noncontiguous tracts of land and further provided that operations on land burdened by a mineral lease or unitized by the lease are sufficient to maintain the lease with respect to the entirety of the land burdened by the lease.

New law clarifies that prior law is applicable to leases burdening contiguous tracts. New law also clarifies that production likewise suffices to maintain such lease.

Prior law (R.S. 31:138.1(A)) defined "division order", in pertinent part, as an instrument setting forth the proportional ownership in oil and gas.

New law clarifies that the concept of a "division order" as provided in prior law is not limited in application to an instrument setting forth proportional ownership merely in oil and gas but rather in any minerals or other substances.

Prior law (R.S. 31:138.1(B)) prohibited the alteration of the terms of an oil and gas lease by a division order. Prior law also specified that a "division order" that varied the terms of an oil and gas lease is invalid to a certain extent and the terms of such lease take precedence.

New law clarifies that a division order cannot change the terms of a mineral lease. Additionally specifies that provisions referring to the "division order" apply to mineral leases, instead of solely to oil and gas.

Prior law (R.S. 31:156) provided relative to interruption of possession of mineral rights by use or exercise of mineral rights.

New law modifies prior law by updating terminology to accurately describe the applicable prescriptive regime, which is prescription of nonuse, instead of liberative prescription.

Prior law (R.S. 31:164) provided relative to the creation of a mineral servitude by a co-owner of land and the exercise of rights requiring consent of other co-owners.

New law clarifies prior law and responsibilities of the servitude owner.

Prior law (R.S. 31:166) provided relative to the grant of a mineral lease by a co-owner of land and the exercise of rights requiring consent of other co-owners.

New law clarifies prior law and responsibilities of the lessee or permittee.

Prior law (R.S. 31:175) provided that a co-owner of a mineral servitude may not operate independently, and included requirements of consent of other co-owners, and a definition of operations.

New law clarifies prior law and the responsibilities of the co-owner.

Prior law (R.S. 31:192) set forth when the usufructuary of land is entitled to grant a lease and what the usufructuary is entitled to.

New law clarifies prior law and removes a provision that addresses bonuses, rentals, and payments the usufructuary is entitled to retain; specifically, that are allocable to payments or a proportionate part.

Prior law (R.S. 31:204) provided relative to the encumbrance of mineral and related rights in the form of pledge, as well as the effects of a pledge of minerals produced.

New law removes prior law and removes obsolete temporal language. Adds a provision that specifies that the Uniform Commercial Code - Secured Transaction governs the creation of security interests in minerals and their proceeds as well as the rights of security interest holders against obligors and third persons.

Prior law (R.S. 31:206(A)) provided relative to the extinguishment of a mineral right by the accrual of prescription.

New law modifies prior law by updating terminology to accurately describe the applicable prescriptive regime.

Prior law (R.S. 9:5805) provided relative to the accrual of prescription against mineral and related rights related to the minority or other legal disability of any owner.

New law repeals prior law as obsolete and redundant.

Effective August 1, 2023.

(Amends R.S. 31:11(Heading) and 39, 75, 79, 114, 138.1(A) and (B), 156, 164, 166, 175, 192, 204, and 206(A); Repeals R.S. 9:5805)