
DIGEST

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HB 455 Engrossed

2023 Regular Session

Coussan

Abstract: Provides relative to rights in minerals and production and related accounts.

Present law (R.S. 31:11(Heading)) characterizes the concept described in present law (R.S. 31:11) as "correlative rights".

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

Present 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.

Proposed law retains present law and clarifies language.

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

Proposed law retains present law and clarifies language.

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

Proposed law retains present law and corrects a grammatical error.

Present law (R.S. 31:114) provides that a single mineral lease may be granted on two or more noncontiguous tracts of land and further provides 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.

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

Present law (R.S. 31:138.1(A)) defines "division order".

Proposed law clarifies that the concept of a "division order" as provided in present 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.

Present law (R.S. 31:138.1(B)) prohibits the alteration of the terms of an oil and gas lease by a division order.

Proposed law clarifies that a division order cannot change the terms of a mineral lease.

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

Proposed law retains present law and updates terminology to accurately describe the applicable prescriptive regime, which is prescription of nonuse, instead of liberative prescription.

Present law (R.S. 31:164) provides 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.

Proposed law clarifies present law and responsibilities of the servitude owner.

Present law (R.S. 31:166) provides 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.

Proposed law clarifies present law and responsibilities of the lessee or permittee.

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

Proposed law clarifies present law and the responsibilities of the co-owner.

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

Proposed law clarifies present 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.

Present law (R.S. 31:204) provides 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.

Proposed law clarifies present 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.

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

Proposed law retains present law and updates terminology to accurately describe the applicable

prescriptive regime.

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

Proposed law repeals present law as obsolete and redundant.

(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)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Natural Resources and Environment to the original bill:

1. Change references from "lessee or permittee" to "servitude owner" in provision regarding responsibilities of a servitude owner.
2. Change references from "lessee or permittee" to "co-owner" in provision regarding responsibilities of a co-owner.
3. Make a technical change.