

2018 Regular Session

HOUSE BILL NO. 444

BY REPRESENTATIVE BISHOP

MINERALS/RIGHTS-ROYALTY: Defines mineral production payments

1 AN ACT

2 To amend and reenact R.S. 31:212.21, relative to mineral production payments; to define a  
3 mineral production payment; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 31:212.21 is hereby amended and reenacted to read as follows:

6 §212.21. Nonpayment of production payment or royalties; notice prerequisite to  
7 judicial demand

8 If the owner of a mineral production payment or a royalty owner other than  
9 a mineral lessor seeks relief for the failure of a mineral lessee to make timely or  
10 proper payment of royalties or the production payment, he must give his obligor  
11 written notice of such failure as a prerequisite to a judicial demand for damages. A  
12 mineral production payment is an obligation owed to the purchaser to make a  
13 payment from the proceeds of production and does not mean, include, or encompass  
14 the payments owed on production to an unleased mineral owner.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 444 Original

2018 Regular Session

Bishop

**Abstract:** Defines mineral production payment.

Present law requires that if the owner of a mineral production payment or royalty owner other than a mineral lessor seeks relief for the failure of a mineral lessee to make timely or proper payment of royalties or production payments, he must give written notice prior to a judicial demand for damages.

Proposed law defines mineral production payment as an obligation owed to the purchaser to make a payment from the proceeds of production and is not a payment owed on production to an unleased mineral owner.

(Amends R.S. 31:212.21)