

2018 Regular Session

HOUSE RESOLUTION NO. 238

BY REPRESENTATIVES COUSSAN AND BISHOP

MINERALS/LEASES: Requests the Louisiana State Law Institute to study the classification of a production payment under Louisiana law

1 A RESOLUTION

2 To urge and request that the Louisiana State Law Institute study the classification of a
3 production payment under Louisiana law, and to submit a written report of its
4 findings with any recommendations.

5 WHEREAS, there have been legal disputes relating to issues involving mineral
6 production payments with respect to unleased mineral owners; and

7 WHEREAS, in 2014, the United States Court of Appeals, Fifth Circuit held in the
8 case of *Adams v. Chesapeake Operating, Inc.*, 561 Fed. Appx. 322, that an owner of an
9 unleased mineral interest was not a purchaser or owner of a mineral production payment, and
10 thus was not entitled to bring a statutory claim for production payments against the operator
11 under R.S. 31:212.21 through 212.23 in an attempt to invoke the remedies provide therein;
12 and

13 WHEREAS, this case has been cited and discussed in several cases in the United
14 States District Court for the Western District of Louisiana, Shreveport Division.

15 THEREFORE, BE IT RESOLVED that the House of Representatives of the
16 Legislature of Louisiana does hereby request that the Louisiana State Law Institute study the
17 history, reasoning, classification, and definition of a production payment in R.S. 31:171,
18 212.21 through 212.23, and 213, providing a recommendation to the Legislature of
19 Louisiana with regard to a possible codification of the court decisions no later than sixty
20 days prior to the convening of the 2019 Regular Session.

1 BE IT FURTHER RESOLVED that during the study of these issues and prior to
2 submitting any recommendations to the legislature, the Louisiana State Law Institute shall
3 include in its research or consideration of these issues such information or input as it might
4 receive from all of the following:

- 5 (1) The Louisiana Landowners Association.
- 6 (2) The Louisiana Mid-Continent Oil and Gas Association.
- 7 (3) The Louisiana Oil and Gas Association.
- 8 (4) The Louisiana Chapter of the National Association of Royalty Owners.

9 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
10 director of the Louisiana State Law Institute, the secretary of the Department of Natural
11 Resources, the chairman of the Louisiana State Mineral and Energy Board, the executive
12 director of the Louisiana Landowners Association, the president of the Louisiana
13 Mid-Continent Oil and Gas Association, the president of the Louisiana Oil and Gas
14 Association, and the executive director of the Louisiana Chapter of the National Association
15 of Royalty Owners.

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)]

HR 238 Original

2018 Regular Session

Coussan

Requests that the Louisiana State Law Institute study the history, reasoning, classification, and definition of a production payment in R.S. 31:171, 212.21 through 212.23, and 213, providing a recommendation to the Louisiana Legislature with regard to a possible codification of certain court decisions no later than 60 days prior to the convening of the 2019 Regular Session.