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DIGEST

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Henry Burns

HB No. 223

**Abstract:** Defines "timely payment" relative to the payment of royalties.

Present law provides that if a mineral lessor seeks relief for the failure of his lessee to make timely or proper payment of royalties, he must give his lessee written notice of such failure as a prerequisite to a judicial demand for damages or dissolution of the lease.

Proposed law defines "timely payment" as, subject to other delays contained in present law and unless otherwise provided by the mineral lease, the payment of royalties from the proceeds from the sale of oil or gas production from an oil or gas well to persons legally entitled to payment commencing not later than six months after the date of the first sale, and thereafter, subsequent royalties shall be paid no later than:

- (1) 60 days after the end of the calendar month in which subsequent oil production is sold.
- (2) 90 days after the end of the calendar month in which subsequent gas production is sold.

(Amends R.S. 31:137)