



1           WHEREAS, mineral lessees frequently raise the inability to complete property title  
2 work as a reasonable cause for nonpayment; and

3           WHEREAS, since there is no statutory law establishing any time parameters in  
4 which to complete such title work, it is most frequently raised as a reasonable cause for  
5 nonpayment, and may at times be applied to all owners within a unit when it does not  
6 necessarily affect the calculation of royalties to all owners within the unit; and

7           WHEREAS, some states with a very strong oil and gas industry, such as Oklahoma,  
8 have enacted laws which are more specific when addressing the issues of timeliness of  
9 royalty payments and marketability of title; and

10          WHEREAS, with the increased activity and complexity with oil and gas exploration  
11 and production in Louisiana over the past several years, there is a growing need to amend  
12 the laws relative to defining "timely payment" and as to what constitutes a "reasonable  
13 cause" for late payment or nonpayment.

14          THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
15 urge and request the Louisiana Mineral Law Institute to study and make specific  
16 recommendations relative to legislation to define "timely payment" of mineral royalties and  
17 to establish parameters as to what constitutes "reasonable cause" for untimely or nonpayment  
18 of mineral royalties.

19          BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted  
20 to Mr. Keith B. Hall, the director of the Louisiana Mineral Law Institute.

21          BE IT FURTHER RESOLVED the Louisiana Mineral Law Institute report its  
22 findings and recommendations in the form of specific proposed legislation to the Legislature  
23 of Louisiana on or before January 1, 2014.

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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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Henry Burns

HCR No. 73

Requests the Louisiana Mineral Law Institute to study and make specific recommendations relative to legislation to define "timely payment" of mineral royalties and to establish parameters as to what constitutes "reasonable cause" for untimely or nonpayment of mineral royalties, and to report its findings and recommendations on or before January 1, 2014.