

H. B. 4358

(By Delegates Manypenny, Walker, Rowan,
Sigler and Fleischauer)

[Introduced January 31, 2012; referred to the

Committee on the Judiciary then Finance.]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §36-3-8a, relating to permitting surface owners to receive a two percent royalty for minerals extracted below the surface of their property; and permitting a two percent royalty for certain surface owners.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §36-3-8a, to read as follows:

ARTICLE 3. FORM AND EFFECT OF DEEDS AND CONTRACTS.

§36-3-8a. Royalty rate for surface owners for mineral extraction.

Surface owners without mineral rights in the subsurface strata of their property shall receive a two percent royalty rate for all minerals extracted from or beneath their property. Surface owners who have a horizontal well on their property shall receive a two

1 percent royalty rate for all minerals extracted from that well that
2 do not lie beneath their property. These amounts are in addition
3 to any other compensation that may be due those property owners.

NOTE: The purpose of this bill is to compensate surface owners when minerals are extracted from the substrata below their property. The bill also grants surface owners who have a horizontal well on their property to receive a two percent royalty rate for all minerals extracted from that well that do not lie beneath their property. Those property owners shall receive a two percent royalty for minerals extracted below the surface of their property.

This section is new; therefore, it has been completely underscored.