WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Introduced

House Bill 3335

By Delegates Anderson, Heckert, Zatezalo, Street,

and Willis

[Introduced February 08, 2023; Referred to the

Committee on Energy and Manufacturing then the

Judiciary]

1   A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,

2   designated §36-4-9c, relating to providing for enhanced damages for nonpayment of

3   royalties due from oil, natural gas, or natural gas liquids production under the terms of a

4   lease or other agreement.

Be it enacted by the Legislature of West Virginia:

ARTICLE   4.   COVENANTS.

§36-4-9c. Penalties for nonpayment of royalties under the terms of oil and natural gas leases during production from conventional vertical wells.

1   With regard to conventional vertical oil, natural gas, or natural gas liquids, wells only,

2   permitted under §22-6-1 *et seq.* of this code, unless otherwise provided for in writing or unless

3   there is a bona fide dispute between the parties, any lessee or operator of oil, natural gas, or

4   natural gas liquids, or their successors or assigns, who fails to pay a royalty payment for mineral

5   production to a lessor, or their successors and assigns, under the terms of a lease or other

6   agreement within six months after the date payment is due under the terms of such lease or other

7   agreement, shall be liable to such lessor or landowner, or their successors or assigns, in an

8   amount equal to three times the market value of the extracted minerals for which payment is due,

9   plus reasonable attorney's fees and costs in addition to and not withstanding any other rights,

10   remedies,   and   penalties   otherwise   provided   by   law.

NOTE: The purpose of this bill is to provide for enhanced damages for nonpayment of royalties due from oil, natural gas, or natural gas liquids production under the terms of a lease or other agreement.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.