

By: Representative Hamilton

To: Oil, Gas and Other Minerals

HOUSE BILL NO. 188

1 AN ACT TO PROVIDE THAT THE TITLE TO ANY MINERAL ESTATE THAT
2 IS DEEMED TO BE NONPRODUCING SHALL REVERT TO THE STATE OF
3 MISSISSIPPI AT THE END OF THE TEN-YEAR PERIOD OF NONPRODUCTION; TO
4 PROVIDE THAT THE OWNER OF THE SURFACE RIGHTS TO THE LAND MAY
5 REDEEM THE NONPRODUCING MINERAL ESTATE; TO PROVIDE THE PROCEDURE
6 FOR NOTICE AND REDEMPTION OF THE NONPRODUCING MINERAL ESTATE; AND
7 FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 SECTION 1. The title to, and interest in, any mineral estate
10 that is deemed to be nonproducing as described herein shall revert
11 to the State of Mississippi at the end of the ten-year period and,
12 in accordance with Section 2 of this act, the surface owner may
13 redeem such nonproducing mineral estate. For purposes of this
14 section, the mineral estate is deemed to be nonproducing if there
15 have been no bona fide drilling or production operations for
16 minerals or no actual production of minerals for a period of ten
17 (10) years. The period of ten (10) years may run continuously or
18 be interrupted. If there are bona fide drilling or production
19 operations for minerals or actual production of minerals, the
20 period shall be interrupted and shall begin to run again on the
21 last day that drilling or production operations are conducted or
22 the last day of actual production. The period shall be
23 interrupted in the case of contracts providing for shut-in rental
24 payments in lieu of production, but if there is no production, the
25 period shall begin to run again at the end of the period for which
26 the last such rental payment was made. For purposes of this
27 section, oil and gas are deemed to be not in production if, in the
28 case of oil production, the well is not located on the regular

29 governmental quarter-quarter section of surface estate where the
30 severed mineral estate lies, or in the case of gas production, if
31 the gas well is not located in the regular governmental one-half
32 (1/2) section wherein the mineral estate lies.

33 SECTION 2. (1) In order to effectuate the redemption
34 provided for in Section 1 of this act, the owner or owners of the
35 surface estate each shall file a statement of claim with the
36 chancery clerk of the county or counties in which the land within
37 which the nonproducing mineral estate is located after the period
38 of ten (10) years has elapsed and the title to the mineral estate
39 has reverted to the State of Mississippi. The owner or owners of
40 the surface estate shall notify the owner or owners of the
41 nonproducing mineral estate by personal service, if they can be
42 found upon reasonable search and inquiry, that the nonproducing
43 mineral estate is subject to redemption by the surface owner or
44 owners. If the owner or owners of the nonproducing mineral estate
45 cannot be found upon reasonable search and inquiry, the owner or
46 owners of the surface estate shall give notice by publication for
47 three (3) consecutive weeks in a newspaper having general
48 circulation in the county or counties in which the land within
49 which the nonproducing mineral estate is located, and, if the
50 address of the owner or owners of the mineral estate is shown of
51 record or can be determined upon reasonable inquiry, by mailing a
52 copy of such notice to the owner or owners of the mineral estate
53 not later than ten (10) days after the first publication. The
54 notice shall state the name of the owner or owners of the mineral
55 estate as shown of record, if known, a description of the land and
56 the name of the person or persons giving such notice. If a copy
57 of such notice, together with an affidavit of service thereof, is
58 promptly filed with the chancery clerk of the county or counties
59 in which the land within which the mineral estate is located, the
60 record thereof shall be prima facie evidence in any legal
61 proceeding that such notice was given.

62 (2) If, within thirty (30) days after personal service or
63 the last publication of notice, no conclusive written evidence is
64 presented to the chancery clerk that there have been bona fide
65 drilling or production operations for minerals or actual
66 production of minerals for a period of ten (10) years, the
67 nonproducing mineral estate may be redeemed by the owner or owners
68 of the surface estate, and the chancery clerk shall record the
69 statement of claim and the redemption of the nonproducing mineral
70 estate and shall indicate the redemption of the nonproducing
71 mineral estate by marginal notation on the instrument creating the
72 original mineral estate. If conclusive written evidence is
73 presented to the chancery clerk within the stated period of time
74 that there have been bona fide drilling or production operations
75 for minerals or actual production of minerals within the period of
76 ten (10) years, then the reverter to the State of Mississippi and
77 the right of redemption by the surface owner or owners shall not
78 take effect and the chancery clerk shall record the statement of
79 claim but shall not record or indicate on the instrument creating
80 the original mineral estate that there has been a reversion or
81 redemption of the mineral estate.

82 SECTION 3. This act shall take effect and be in force from
83 and after July 1, 2001.