

By: Representative Fillingane

To: Oil, Gas and Other
Minerals

HOUSE BILL NO. 733

1 AN ACT TO PROVIDE THAT MINERAL ESTATES SEPARATED FROM THE
2 SURFACE ESTATE SHALL REVERT TO THE OWNER OF THE SURFACE ESTATE
3 AFTER TWENTY YEARS OF NONPRODUCTION; TO DEFINE NONPRODUCTION; AND
4 FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) Mineral estates separated from the surface
7 estate after July 1, 2004, shall revert to the owner of the
8 surface estate if, after a twenty-year period, there is no bona
9 fide attempt to drill for or produce minerals or no actual
10 production of minerals. The twenty-year period may run
11 continuously or be interrupted. If there is attempted or actual
12 production, the period shall be interrupted and shall start to run
13 again on the day after the last day of actual production or the
14 last day actual drilling or production operations are conducted on
15 the property. For contracts providing for shut-in rental payments
16 in lieu of production, the twenty-year period may be interrupted,
17 but will start to run again at the end of the period for which the
18 last such rental payment was made if there is no production. The
19 possibility of interruption is not limited to the instances stated
20 in this section, but may extend to other circumstances as equity
21 may demand. If the twenty-year period is interrupted and starts
22 to run again with less than one hundred eighty (180) days
23 remaining in the period, the period shall not expire less than one
24 hundred eighty (180) days after the date on which the period
25 starts to run again.

26 (2) The surface estate owner to which the mineral estate
27 shall revert by operation of this act is the holder of the surface
28 estate at the time of the reversion.

29 (3) For purposes of this section, oil and gas are deemed to
30 be not in production if: (a) in the case of oil production, the
31 well is not located on the regular governmental quarter-quarter
32 (1/4-1/4) section of surface estate where the severed mineral
33 estate lies; or (b) in the case of gas production, the gas well is
34 not located in the regular governmental one-half (1/2) section in
35 which the mineral interest lies.

36 **SECTION 2.** This act shall take effect and be in force from
37 and after July 1, 2004.