

By: Representative Gibbs

To: Oil, Gas and Other Minerals

HOUSE BILL NO. 162

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 FIVE 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 January 1, 2008, shall revert to the owner of the
8 surface estate if, after a five-year period, there is no bona fide
9 attempt to drill for or produce minerals or no actual production
10 of minerals. The five-year period may run continuously or be
11 interrupted. If there is attempted or actual production, the
12 period shall be interrupted and shall start to run again on the
13 day after the last day of actual production or the last day actual
14 drilling or production operations are conducted on the property.
15 For contracts providing for shut-in rental payments in lieu of
16 production, the five-year period may be interrupted, but will
17 start to run again at the end of the period for which the last
18 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 five-year period is interrupted and starts to
22 run again with less than one hundred eighty (180) days remaining
23 in the period, the period shall not expire less than one hundred
24 eighty (180) days after the date on which the period starts to run
25 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, 2007.

