

By: Hamilton

To: Oil, Gas and Other Minerals

HOUSE BILL NO. 13

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, 2000.