

**GOVERNMENTAL AFFAIRS** 

April 17, 2017

## WEEKLY HIGHLIGHTS AT-A-GLANCE

## FEDERAL – Legislative

- LAND Act. On April 6, Rep. Scott Tipton (R-CO) introduced <u>H.R. 1965</u>, the Land Adjacency Notification and Disclosure Act, or "LAND Act". The bill is aimed at bringing more transparency and oversight to U.S. Forest Service land exchanges by requiring the federal government to provide written notification to each adjacent landowner of any parcel of land that is set to be exchanged. <u>Read more</u>.
- REAL Protection Act. On April 6, Rep. Scott Tipton (R-CO) introduced <u>H.R. 1966</u>, the Resurveys Entitle Adjacent Landowners to Protection Act or the "REAL Protection Act". The bill would require that, in the event of a Bureau of Land Management (BLM) land resurvey, the BLM must notify all property owners with land that neighbors the federal land identified for a resurvey at least 30 days before the process beings. The bill also protects landowners if the BLM determines that the property that was previously believed to be private property should be reclassified as federal land. <u>Read more</u>.

### FEDERAL – Regulatory

BLM Resource Advisory Councils. On April 12, the BLM published a notice, *Requests for Nominations: Resource Advisory Councils* (82 Fed. Reg. 17685), to request public nominations for the BLM Resource Advisory Councils (RAC) that have members whose terms are scheduled to expire. RACs provide advice and recommendations to the BLM on land use planning and management of the National System of Public Lands within their geographic areas. Under the Federal Advisory Committee Act, membership must be balanced and representative of the various interests concerned with the management of the public lands, including "representatives of organizations associated with energy and mineral development." Nominations must be received by May 30, 2017. Read more.

## FEDERAL – Judicial

 Leasing; Trade Secrets – Oklahoma Federal Court. On March 30, in *Gaedeke Holdings VII Ltd. v. Baker* (Case Nos. 16-6004, 16-6017), the Tenth Circuit upheld a verdict in favor of a geologist who sued under Oklahoma's version of the Uniform Trade Secret Act alleging defendants used his confidential geological study to profit from oil and gas leasing. The Court rejected the argument that the geologist couldn't sue because the partnership, not him personally, "owned" the trade secret and concluded instead that ownership is not a prerequisite to standing to sue under the Uniform Act. <u>Read more</u>.

- Surface Rights; Well Pads Pennsylvania Federal Court. On March 29, in Valley Rod & Gun Club v. Chesapeake Appalachia, LLC (Case No. 3:13-CV-0725), the U.S. District Court of the Middle District of Pennsylvania held, in dismissing a case against lessees, that a well operator had the implied right under the common law and the express right under its lease to use rock, fill, mulch, and other surface material from the lessor's property in constructing the well pad. <u>Read more</u>.
- Joint Operating Agreements; Leasing West Virginia Federal Court. On April 7, in Graham v. Antero Resources Corp. (Case No. 1:16cv26), the U.S. District Court for the Northern District of West Virginia dismissed a landowner's suit accusing Antero of unauthorized drilling on her land, holding that the plaintiff can't escape the Joint Operating Agreements she signed which allowed the energy company to drill three wells and lease her mineral estate. <u>Read more</u>.

## STATE – Legislative

- Setbacks Colorado. (Update to 4/10/17 Weekly Report) On April 12, the Senate voted against <u>HB 1256</u>, defeating the bill. The measure, sponsored by Rep. Mike Foote (D), would have required that the minimum 1,000-foot distance from which newly permitted oil and gas production facilities and wells must be located from any school applies to the school property line and not the school building. <u>Read more</u>.
- Setbacks; Royalty Owners Idaho. (Update to 3/27/17 Weekly Report) On April 6, Gov. Butch Otter (R) signed HB 301 into law. The Act revises the membership of the Oil and Gas Conservation Commission and the duties of the Commission and the Department of Lands, and also provides well spacing and setback requirements, reporting requirements, and provides certain remedies for royalty owners. <u>Read more</u>.
- Franchise Tax Louisiana. On April 10, Rep. Robert Carter (D) introduced HB 169. The bill amends current law to extend the natural gas franchise tax to oil franchises and increases the rate of the tax from one to two percent, among other provisions. <u>Read more</u>.
- Severance Tax Louisiana. On April 10, Rep. Robert Carter (D) introduced HB 170. The bill amends current law to repeal the exemption from severance tax for oil and gas production from a horizontally drilled well. <u>Read more</u>.
- Leasing Fees Louisiana. On April 10, Rep. Malinda Brumfield-White (D) introduced HB 196. The bill increases the leasing fee from 10 percent to 20 percent that the State Mineral and Energy Board is authorized to collect in addition to the total cash bonus paid at the lease sale. <u>Read more</u>.

- State Lands Louisiana. On April 10, Rep. Stephanie Hilferty (R) introduced HB 198. The bill authorizes the governing authority of Jefferson Parish to assign or sublease certain property leased from the state for recreational, cultural, commercial, or economic development purposes, except for mineral leases. <u>Read more</u>.
- **Corporate Taxes Louisiana.** On April 10, Rep. Barry Ivey (R) introduced HB 355. This bill is a business-friendly comprehensive revision of the tax code and tax incentives and includes such measures as repealing the corporate franchise tax, lowering the severance tax, and changing the corporate income tax rate from a graduated schedule of rates dependent on the taxable income of the taxpayer to a flat rate of 6.5 percent and expands the tax to all "business income" and further authorizes a reduction to a flat six percent if certain conditions are met, among other provisions. <u>Read more</u>.
- Franchise Tax Louisiana. On April 10, Rep. Barry Ivey (R) introduced HB 361. This bill would repeal the corporation franchise tax beginning January 1, 2018. <u>Read more</u>.
- **Tax Credits Louisiana.** On April 10, Rep. Barry Ivey (R) introduced HB 362. This bill would make the excess credit for any taxpayer nonrefundable. The measure further requires the remaining amount to be carried forward as a credit against subsequent tax liability for five years, among other provisions. <u>Read more</u>.
- **Corporate Taxes Louisiana.** On April 10, Rep. Chris Broadwater (R) introduced HB 385. This bill would repeal the corporate income and franchise taxes and prohibit certain corporate taxpayers from claiming certain refundable tax credits. <u>Read more</u>.
- Corporate Taxes Louisiana. On April 10, Rep. Rob Shadoin (R) introduced HB 433. This bill would phase out the corporate franchise tax over a ten-year period beginning January 1, 2020. <u>Read more</u>.
- Notaries Louisiana. On April 10, Rep. Neil Abramson (D) introduced HB 453. This bill would increase the \$25 filing fee to \$50, and requires \$25 of the fee to be distributed to and administered by the Louisiana Bar Foundation to be used for the provision of civil legal services within the state's civil justice system. <u>Read more</u>.
- Severance Taxes Louisiana. On April 10, Rep. Stuart Bishop (R) introduced HB 461. This bill would provide for severance tax exemptions for certain inactive and orphan wells. <u>Read more</u>.
- Franchise Tax Louisiana. On April 10, Rep. Stephanie Hilferty (R) introduced HB 80. This bill would phase out the corporate franchise tax over a 10-year period. <u>Read more</u>.
- Bonus and Royalty Payments; Taxes Louisiana. On April 10, Sen. Ryan Gatti (R) introduced SB 47. This bill would reduce the income tax rate on oil and gas bonus

payments and oil and gas royalty payments to zero. Read more.

- **Tax Credits Louisiana.** On April 10, Sen. Barrow Peacock (R) introduced SB 51. The bill would provide that a credit be given on individual income taxes for franchise taxes paid in another state. <u>Read more</u>.
- Hydraulic Fracturing Disclosure Montana. On April 13, the Senate approved House amendments to SB 299, passing the bill and sending the hydraulic fracturing disclosure measure to Gov. Steve Bullock (D) for signature. The bill, sponsored by Sen. Tom Richmond (R), would require energy companies to disclose the chemicals they use to the Montana Oil and Gas Conservation Board. However, well owners, oil and gas operators, and field companies would be able to request the Board keep confidential the chemicals they consider to be trade secrets, and only a court could order their public disclosure. If the bill becomes law, the state Department of Natural Resources estimated that companies would make 30 requests for trade secrets the first year and about 25 requests per year after that. Richmond, a former administrator of the Board, said he sponsored the bill in response to the public interest in disclosing the chemicals, though he disagrees with concerns that the chemicals could harm groundwater beneath adjacent properties. "The public right to know is a strong right in our constitution," Richmond told a House committee late last month. "This lets the board keep trade secrets confidential unless ordered by the court to release them." Richmond says the bill is based on a Wyoming model. Read more.
- Well Reporting Pennsylvania. On April 7, Rep. Curtis Sonney (R) introduced HB 1103. The bill would allow for electronic submission of annual well reports and does not apply to plugging requirements. <u>Read more</u>.
- **Regulatory Programs Texas.** On March 31, Rep. Drew Darby (R) introduced HCR 84. The concurrent resolution measure urges Congress and the Executive branch of the federal government to identify key federal regulations currently under the EPA, Interior Department, Energy Department, or other federal agencies to determine whether they should be preserved, revised, delegated to state agencies, or eliminated. The measure also calls for the federal government to work with Texas state regulatory agencies to mitigate overregulation of the oil and gas industry in the state. <u>Read more</u>.
- **Trusts and Estates West Virginia.** On April 8, both the House and Senate passed HB 2967, introduced by Del. Eric Nelson (R). The purpose of this bill, as to the administration of trusts and estates, is to remove the requirements for the State Tax Commissioner to administer the fiduciary supervisor/fiduciary commissioner qualifying test and annual training seminar. These responsibilities will be given instead to the respective county commissions. <u>Read more</u>.
- Division of Energy West Virginia. (Update to 4/10/17 Weekly Report) On April 6,

the Senate passed HB 3037, and the House concurred with the Senate amendments, passing the bill. The bill would amend current law to retain the state Division of Energy, but the name shall be changed to the Office of Energy and will be organized within the Development Office of the Department of Commerce, rather than as a separate agency. Read more.

## **STATE – Judicial**

 Impact Fee – Pennsylvania. On March 29, in Snyder Brothers, Inc. v. Penn. Public Utility Comm. (Case Nos. Nos. 1043 CD 2015 and 1175 CD 2015), the Pennsylvania Commonwealth Court concluded that an unconventional well that does not produce more than 90,000 cubic feet in "any" one month in a calendar year is a "stripper well" that is not subject to the state's impact fee. <u>Read more</u>.

## **INDUSTRY NEWS FLASH:**

♦ U.S. drilling permits surge to largest increase in 18 months. (*Fuelfix*, April 11, 2017) New drilling permits issued across the United States climbed by almost 4,000 in March, the largest increase in 18 months. According to investment bank, Evercore ISI, which compiles state permitting data for a monthly report, the industry is getting closer to levels that were typical before the two-year oil downturn. States reporting the highest permit surges were Texas, California, Wyoming, Colorado, Oklahoma, New Mexico and North Dakota. <u>Read more</u>.

# **State-by-State Legislative Session Overview**

**Kansas** has recessed until the wrap-up session begins May 1, <u>KMUW</u> reports. Upon their return, lawmakers will have a substantial legislative agenda to work through, including the state's 2017-2018 budget and a new tax plan. Progress has been made on balancing the current budget for the fiscal year that ends in June, but revenue shortfalls are projected to total around \$1 billion over the next two budget years. Republican Gov. Sam Brownback has endorsed a flat tax plan that would impose an income tax rate of 4.6 percent on all Kansans. The proposal, contained in <u>SB</u> 214, failed in the Senate by a vote of 37-3 on April 6. Work on tax reform is expected to be time consuming when legislators return. Budget negotiations have been complicated by the need to develop a new school funding formula as mandated by a Kansas Supreme Court ruling last month. K-12 public education accounts for about half of the \$6 billion general fund.

**West Virginia** adjourned April 9 but will require a special session following a veto of <u>HB 2018</u>, which contains the \$4.1 billion state budget, by Democratic Gov. Jim Justice on April 13, <u>Governing</u> reports. An analysis of the proposed budget from The Tax Foundation can be found <u>here</u>.

Alaska, Alabama, Arizona, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Louisiana, Maine, Massachusetts, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Washington and Wisconsin are in regular session. The District of Columbia Council and Puerto Rico are also in regular session.

**Wisconsin** convened a special session on January 5 that will run concurrently with the regular session.

The following are in recess until the dates provided: **Michigan** (April 18), the **United States** Congress (April 22), **New York** (April 24), **Kansas** (May 1) and **New Jersey** (May 11).

The following states adjourned on the dates provided: **Arkansas** (April 3), **West Virginia** (April 9) and **Maryland** (April 10). Arkansas is expected to reconvene to adjourn sine die on May 1.

The following states are expected to adjourn their legislative sessions on the dates provided: Arizona (April 14); Tennessee and Washington (April 21); Montana (April 25); Alaska (April 27); North Dakota (April 28) and Indiana (April 29).

**Arkansas** Republican Gov. Asa Hutchinson has until April 23 to act on legislation presented after March 29 or it becomes law. **West Virginia** Democratic Gov. Jim Justice has until April 26 to act on legislation presented after April 4 or it becomes law without signature. **Virginia** Democratic Gov. Terry McAuliffe has until May 5 to consider legislation returned after the veto session on April 5 or it becomes law. **Georgia** Republican Gov. Nathan Deal has until May 9 to act on legislation presented after March 24 or it becomes law. **Maryland** Republican Gov. Larry Hogan has until May 10 to act on legislation presented after April 4 or it becomes law. **Kentucky** Republican Gov. Matt Bevin has 10 days, Sundays excepted, to act on legislation or it becomes law. **Mississippi** Republican Gov. Phil Bryant has 15 days, Sundays excepted, from presentent to act on legislation presented after March 24.

**New Mexico** Republican Gov. Susana Martinez had a signing deadline on April 7. **Idaho** Republican Gov. Butch Otter had a signing deadline on April 8. **South Dakota** Republican Gov. Dennis Daugaard had a signing deadline on April 12.

## **Endangered Species**

**Montana** <u>HJ 15</u> was sent to be enrolled on April 13 after the House concurred in the Senate amendments. This resolution would declare that the Montana legislature supports the delisting of the grizzly bear from the Endangered Species Act and that the management of the bears should be returned to the state and no longer be controlled by the federal government. It would also remove the distinct population segment designation for grizzly bears in the Cabinet-Yaak Grizzly Bear Recovery Zone. The resolution would urge the Montana legislature to call upon the state's congressional delegation to introduce federal legislation that delists the grizzly bear. The resolution would have the secretary of state send a copy of HJ 15 to each member of the

Montana congressional delegation, the secretary of the **U.S.** Department of the Interior, the Governor of Montana, the Department of Fish, Wildlife and Parks and the Secretaries of State for **Idaho**, **Washington** and **Wyoming**.

# **Franchise Tax**

**California** <u>AB 1432</u> passed the Assembly Appropriations Committee with amendments on April 5 and was read for a second time and amended on April 6. Existing law imposes a minimum franchise tax of \$800 on every corporation incorporated in the state, qualified to transact intra state business or doing business in the state. This bill would require the California State University's Center for California Studies to conduct research on the impact of the minimum franchise tax.

This bill is sponsored by Asm. Melissa Melendez, R-Lake Elsinore.

**Louisiana** <u>HB 80</u> was heard in the House Ways and Means Committee on April 12, but no vote was taken. This bill, which is sponsored by Rep. Stephanie Hilferty, R-New Orleans, would reduce the franchise tax levied under current law by 10 percent each year beginning on January 1, 2018, until the franchise tax is eliminated. Under the bill, no corporate franchise tax would be assessed or paid on or after January 1, 2027.

This bill would take effect immediately if enacted.

**Louisiana** <u>HB 169</u> was read for the first time on April 10 and was referred to the House Ways and Means Committee. Sponsored by Rep. Robby Carter, D-Amite, this bill would extend the natural gas franchise tax to oil franchises and increase the tax rate from one percent to two percent on gross receipts.

If this bill becomes law, it will take effect on July 1, 2017.

**Louisiana** <u>HB 355</u> was introduced, read for the first time and referred to the House Ways and Means Committee on April 10. Existing law levies a franchise tax law on every domestic and foreign company doing business in the state at a rate of \$1.50 per \$1,000 of taxable capital up to \$300,000, and then \$3 per \$1,000 of taxable capital above \$300,001. HB 355 contains a provision that would repeal the franchise tax.

This bill is sponsored by Rep. Barry Ivey, R-Baton Rouge.

**Louisiana** <u>HB 361</u> was considered in the House Ways and Means Committee during a hearing on April 12, but no vote was taken. Sponsored by Rep. Barry Ivey, R-Baton Rouge, the bill would repeal the franchise tax on January 1, 2018.

**Louisiana** <u>HB 433</u>, sponsored by Rep. Rob Shadoin, R-Ruston, was heard in the House Ways and Means Committee during a hearing on April 12, but no vote was taken. This bill would phase out the corporate franchise tax over a 10-year period starting on January 1, 2020.

**Tennessee** <u>HB 65</u> is scheduled to be heard on April 19 in the House Finance, Ways and Means Committee's subcommittee. This bill would exempt certain new companies from paying franchise tax or excise tax for their first two years in business if they employ no more than 25 people and revenue is below \$1.5 million. This bill is sponsored by Rep. Eddie Smith, R-Knoxville, and would become effective on July 1, 2017 if enacted.

The Senate companion, <u>SB 901</u>, is pending in the Senate Finance, Ways and Means Committee after being recommended for passage by the subcommittee on March 15. The bill is sponsored by Sen. Mike Bell, R-Riceville, and would take effect on July 1 if enacted.

## Landmen

### **Employee Classification**

**Texas** <u>HB 1304</u> is scheduled to be heard in the House Economic and Small Business Development Committee on April 20. Sponsored by Rep. Oscar Longoria, D-Mission, this bill would set penalties for employers who fail to properly classify people as employers and independent contractors. The penalty would be up to \$200 per employee if the employer is found to be in violation. If this bill is enacted, it would take effect on September 1, 2017.

## Lands

#### Leasing

**Louisiana** <u>HB 196</u> was introduced on April 10 and referred to the House Natural Resources and Environment Committee. Under existing law, the State Mineral and Energy Board levies a fee for leasing state land for mineral and energy production at a rate of 10 percent of the total cash bonus paid at the time of the lease sale. This bill would increase the leasing fee from 10 percent to 20 percent.

Rep. Malinda Brumfield-White, D-Bogalusa, is the sponsor.

**Montana** <u>HB 384</u> was heard in the Senate Energy and Technology Committee on April 11 and the committee decided to table the bill. This bill would require a lessee to pay all costs of production from a working interest unless the Board of Land Commissioners finds that sharing the expense of transporting the oil to the nearest market better serves the interest of the state or a lessor and a lessee agree to other terms. This bill would take effect immediately if enacted.

### Permits

**Illinois** <u>SB 974</u> failed to meet an April 7 deadline in the Senate Energy and Public Utilities Committee and was sent back to the Senate Assignments Committee; this bill is unlikely to move again. Sponsored by Sen. Julie Morrison, D-Deerfield, this bill would not allow any new permits to be issued for surface extraction operations for oil and gas on lands owned by the Department of Natural Resources or the federal government. The bill would prohibit new oil and gas leases on lands that have state parks, recreation areas, fish and wildlife areas, forests, historical sites, national forests, national grasslands or national wildlife refuges. It would prohibit the Department of Natural Resources from entering into contracts that would designate any person as the permittee of the State of Illinois with the exclusive right to prospect and explore public lands for petroleum.

# Oil and Gas

### **Oil and Gas General**

**California** <u>SB 44</u> is scheduled for an April 19 hearing in the Senate Environmental Quality Committee. This bill would require the State Lands Commission in the Natural Resources Agency to administer a legacy oil and gas well removal, plugging and remediation program. Carrying out this program is contingent on appropriation of funds by the legislature.

This bill is sponsored by Sen. Hannah-Beth Jackson, D-Santa Barbara, chair of the Senate Judiciary Committee.

**Colorado** <u>HB 1256</u> was heard in the Senate Agriculture, Natural Resources and Energy Committee on April 12, where testimony was given and the committee decided to postpone the bill indefinitely. Sponsored by Rep. Mike Foote, D-Lafayette, this bill would require that all oil and gas production facilities and wells be located at least 1,000 feet from school buildings and other high occupancy buildings. All new oil and gas production facilities and wells must be located at a minimum of 1,000 feet from the school property line, not the school building. The bill does not apply if a school commences operations near oil and gas facilities or wells that are actively in use, or have been permitted.

**Louisiana** <u>SB 47</u> was introduced into the Senate and Referred to the Senate Revenue and Fiscal Affairs Committee on April 10. This bill proposes reducing the tax rate for individuals and corporations on income from oil and gas lease bonus payments and royalty payments to zero percent. If this bill becomes law it will take effect immediately.

Sen. Ryan Gatti, R-Bossier City, is the sponsor.

**Montana** <u>SB 93</u> was enrolled on April 11 and signed by the Senate president the next day. This bill would require oil and gas developers and operators to give notice upon completion of their operation to the owner of an occupied dwelling within 990 feet of a borehole, amended from 660 feet of a borehole.

This bill is sponsored by Sen. Tom Richmond, R-Billings.

**Nevada** <u>AB 33</u> was engrossed on April 11. This bill would abolish the Mining Oversight and Accountability Commission and relinquish the responsibilities of overseeing the mining industry in the state to the Administrator of the Division of Industrial Relations of the Department of Business and Industry. If enacted, this bill would take effect on July 1, 2017.

This bill is sponsored by the Senate Government Affairs Committee.

Republican Gov. Doug Burgum signed **North Dakota** <u>HB 1151</u> into law on April 10. Effective August 1, this law will make it so that people operating or controlling an oil well do not have to report a spill that is 10 or fewer barrels of oilfield fluid over a 15-day period.

**Pennsylvania** <u>HB 1103</u> was introduced on April 7 and referred to the House Environmental Resources and Energy Committee. This bill would exempt existing home use oil wells from electronic reporting requirements.

Rep. Curtis Sonney, R-Erie, is the sponsor.

### Pooling

Alabama <u>HB 169</u> passed the Senate Finance and Taxation General Fund Committee on April 13 and is on the calendar awaiting third reading. Under current law, risk compensation fees cannot be imposed unless all affected parties have been given notice and a public hearing is held by the State Oil and Gas Board and the board determines all necessary requirements for imposing the fee have been met. This bill, which is sponsored by Rep. Victor Gaston, R-Mobile, would clarify that although risk compensation fees cannot be charged against the interest of an owner in a production pool who did not receive a notice of the hearing on the petition requesting the imposition of the fee, the fee is chargeable against the interests of the other nonconsenting owners in the unit who were given the notice. Under current law, if a productive well is drilled on a pool, those owners who did not pay their share of the drilling costs may have what they owed deducted from production proceeds. They would have to also pay a risk compensation fee of equal to 150 percent of that owner's share of the costs but that in all events a 3/16th share of production from the well must be treated as royalty and is free from any drilling costs or risk compensation fees.

**Colorado** <u>HB 1336</u> was introduced on April 12 and referred to the House Transportation and Energy Committee. Existing law allows for forced pooling in which an interested party, usually an oil and gas operator, can apply to the oil and gas conservation commission for an order to pool oil and gas resources located within an identified drilling unit. After giving notice to interested parties and holding a hearing, the commission can adopt an order to force owners who have not consented to the appliance, to allow operators without their consent. This bill would bring protections for those non-consenting owners. The bill specifies that:

- At least a majority of the royalty interest owners must join in the application before the commission can enter a forced pooling order.
- The hearing notice must be given at least 90 days before the hearing.
- The prospective drilling unit operator must give the affected interest owners a clearly stated explanation of the laws that allow forced pooling, and this must be done before entering into the pooling order.
- The operators of drilling units would be required to file an electronic report before drilling with the commission that states the number and location of non-consenting owners and that order must be posted in a searchable data base on the commission's website.

Sponsored by Rep. Dave Young, D-Greeley, if enacted, this bill would take effect 90 days after the legislature adjourns, which would be August 9 if adjournment sine die is on May 10 as scheduled.

**Texas** <u>SB 177</u> was heard in the Senate Natural Resources and Economic Development Committee on April 11, where testimony was given, but the bill was left pending in the committee. The "Majority Rights Protection Act" would establish a legal framework for protecting the property rights of oil field owners. It is also aimed at unlocking additional production in secondary and tertiary wells. The goal of the bill would be to update the unitization procedures to allow a super majority of 70 percent or more of both working and royalty interest owners to enter into a pool to move forward with additional field operations to recover oil in secondary and tertiary wells. Current law requires that all rights holders of an oil field agree to any redevelopment of operations. The way the law is now, one owner, or a small group, can prevent the redevelopment of a reservoir. This limits the rights of all the other property rights owners to use methods to recover additional oil from the field.

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