



Senate Environmental Resources and Energy Committee

Senator Gene Yaw
Chairman

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Summary Senate Bill 1238, P.N.1725

Prime Sponsor: Senator Yaw

Summary

- Creates the Oil and Gas Lease Satisfaction Act.
- Defines:
 - “Lessee” as a person who has obtained the right to explore, drill, stimulate, produce, market and sell the oil, gas and natural gas liquids, or portion of the oil, gas and natural gas liquids, by means of a properly executed lease.
 - “Lessor” as an owner of the oil and gas in place who controls the oil and gas rights and has executed a lease.
- Requires the lessee to present a satisfaction document within 30 days after the expiration, termination or forfeiture of the oil and gas lease in the county record of deeds office where the oil and gas lease is recorded.
- The satisfaction document shall discharge, defeat and release the lessee’s interest in the lease upon recording.
- If the lessee does not submit the satisfaction document within 30 days, the lessor may send a notice to the lessee to present for recording a satisfaction document to avoid damages.
- If the lessee does not submit the satisfaction document within 60 days of the receipt of the first written request by the lessor, the lessor may initiate an appropriate court action to compel satisfaction of the lease, unless a satisfactory reason was provided as to why the oil and gas lease should not be satisfied.
- In a successful action to compel satisfaction of the lease, the lessee shall reimburse the lessor for costs of action, including the lessor’s reasonable attorney fees.

Effective Date

- This bill will take effect in 60 days.