



# Senate Environmental Resources and Energy Committee

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## **Summary House Bill 402, P.N. 3881**

**Prime Sponsor: Representative Pickett**

### **Summary**

- Creates the Recording of Surrender Documents from Oil and Natural Gas Lease Act, which requires a lessee, upon termination, expiration or cancellation of a lease, to deliver a recordable surrender document to the lessor.

### **Analysis**

- Requires lessees (oil/gas producers) who are party to an oil or natural gas lease to deliver a recordable surrender document to the lessor (owner of the oil/gas) not more than 30 days after the termination, expiration or cancellation of a lease.
  - Such surrender document will include a statement indicating that the lessee surrenders all of its interests under the lease, and will be recorded by the recorder of deeds.
- A lessor may serve notice on a lessee that fails to provide a timely surrender document. HB 402 provides for contents and manner of service of the notice.
- A lessee who disputes that the oil or gas lease will be terminated, expired or cancelled on the date stated in the lessor's notice has 30 days to deliver a written challenge to the lessor.
- A lessor who has served notice and fails to receive a timely challenge from the lessee may file an affidavit of termination, expiration or cancellation of the lease in the office of the recorder of deeds in the county where the land is situated. Requisite contents of the affidavit are listed in the bill.

### **Effective Date**

- This act shall take effect in 60 days.