

BILL ANALYSIS

Senate Research Center

S.B. 1545
By: Ogden
Natural Resources
4-17-97
As Filed

DIGEST

Currently, Texas law limits the amount of money that may be received from oil and gas proceeds by oil and gas operators. However, the law does not prohibit an oil or gas operator from assessing a general fee or any other charge not authorized by the oil or gas lease. This bill expands the definition of oil and gas proceeds in order to protect royalty owners from paying certain general fees.

PURPOSE

As proposed, S.B. 1545 expands the definition of oil and gas proceeds in order to protect royalty owners from paying certain general fees.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 91.401, Natural Resources Code, as follows:

Sec. 91.401. DEFINITIONS. Defines "proceeds," to mean all payments received by an operator, or an affiliated subsidiary in which the operator is a 50 percent or greater owner, for oil or gas production, bonus or premium payments, or otherwise, and whether received as one payment or multiple payments from one or more purchasers.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.