

BILL ANALYSIS

Senate Research Center
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S.B. 290
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Jurisprudence
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As Filed

DIGEST AND PURPOSE

A 1999 court of appeals case has led royalty owners to file lawsuits prior to negotiating with oil companies in order to put a stop to “venue shopping” by the oil companies. This additional step places an expensive burden on land and royalty owners, and the court system. As proposed, S.B. 290 reduces preemptive litigation and forum shopping by the oil companies. This bill encourages the oil industry representatives to negotiate or mediate problems with royalty owners, rather than engaging in litigation at the outset.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 15B, Civil Practice and Remedies Code, by adding Section 15.0116, as follows:

Sec. 15.0116. OIL AND GAS LEASES. Requires an action arising under an oil and gas lease to be brought in a county in which all or a part of the real property subject to the lease is located.

SECTION 2. Effective date: September 1, 2001.
Makes application of this Act prospective.