

Amend CSSB 1103 as follows:

(1) In SECTION 1 of the bill, in amended Section 51.191, Natural Resources Code, redesignated by the bill as Section 51.194, Natural Resources Code, strike Subsection (c) (committee printing, page 11, lines 18-32) and substitute the following:

(c) A [The] good-faith claimant that owns a separate surface interest, a contractual right to a mineral or leasehold interest, a leasehold interest, or a royalty interest in the land occupied or used that is found to be part of or to include a vacancy is entitled to purchase or lease that same interest in the portion of the land determined to be [that is] vacant[+]

[(-1)] at the price and under the conditions set by the board[+]

[(-2) subject to the royalty reservations provided by the board,] and

[(-3)] in accordance with the law in effect on the date the application is filed.

(d) If the interest purchased under Subsection (c) is less than a permanent interest, then:

(1) the interest purchased is limited to the duration of a deed, contract, instrument, or lease in existence before the filing of the vacancy application and subject to a division of the amount of the royalty between the state and the existing royalty owners, provided that the state retains at least one-half of the amount of the royalty interest; and

(2) the interest and any remaining mineral interest, including all executory rights, vest with the state at the expiration of the deed, contract, instrument, or lease.

(2) In SECTION 1 of the bill, in amended Section 51.192, Natural Resources Code, redesignated by the bill as Section 51.195, Natural Resources Code, strike Subsection (a)(2) (committee printing, page 11, lines 41-42) and substitute the following:

(2) [the expiration of] the period for a good-faith claimant to exercise [exercising] a preferential right to purchase or lease the land determined to be vacant expires.

(3) In SECTION 1 of the bill, in amended Section 51.192, Natural Resources Code, redesignated by the bill as Section 51.195,

Natural Resources Code, strike Subsections (b) and (c) (committee printing, page 11, lines 43-57) and substitute the following:

(b) If a good-faith claimant exercises the claimant's preferential right in the land determined to be vacant, the applicant has a preferential right to either:

(1) an award by the board of a perpetual 1/32 nonparticipating royalty of the full mineral interest of the vacancy; or

(2) a preferential right to purchase or lease any remaining interest in the land determined to be vacant.

(c) If a lease described by Section 51.194(d)(1) exists on the land determined to be vacant, the applicant's 1/32 nonparticipating royalty interest, as described by Subsection (b)(1), shall be taken from the state's royalty interest as reserved under Section 51.194(d)(1) for the duration of the lease, provided that the applicant's share for the duration of the lease may never equal more than the interest retained by the state.

(d) An applicant who exercises a preferential right under Subsection (a) or (b)(2) may purchase or lease the land or an interest in the land:

(1) at the price set by the board;

(2) subject to the royalty reservations provided by the board; and

(3) in accordance with the law in effect on the date the application is filed. ~~[The board shall award an applicant, other than a good-faith claimant, a perpetual nonparticipating royalty of:~~

~~[(1) not less than 1/32 or more than 1/16 of the value of oil, gas, and sulphur; and~~

~~[(2) one percent of the value of all geothermal and other minerals produced.]~~