

By: Seliger

S.B. No. 1823

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the state's statutory and contractual liens to secure
3 the payment of unpaid royalty and other amounts due under oil and
4 gas leases of state land.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 52.136, Natural Resources Code, is
7 amended by amending Subsection (b) and adding Subsection (d) to
8 read as follows:

9 (b) By acceptance of a lease, the lessee grants to the state
10 an express contractual lien on and security interest in all oil and
11 gas in and extracted from the area covered by the lease, all
12 proceeds which may accrue to the lessee from the sale of the oil and
13 gas extracted from the area covered by the lease or from the area
14 covered by any other lease of state land or minerals held by the
15 lessee, whether the proceeds are held by the lessee or another
16 person, and all fixtures on and improvements to the area covered by
17 the lease used in connection with the production or processing of
18 the oil and gas, to secure the payment of royalties and other
19 amounts due or to become due under the lease or this subchapter and
20 to secure payment of damages or loss that the state may suffer by
21 reason of the lessee's breach of a covenant or condition of the
22 lease or of another lease of state land or minerals held by the
23 lessee, whether express or implied.

24 (d) The commissioner may temporarily suspend enforcement of

1 a lien established by Subsection (b) if the commissioner determines
2 that, because of extenuating circumstances beyond the control of
3 the lessee, the lessee did not receive payment from the first
4 purchaser of the oil or gas produced from the lease area.

5 SECTION 2. This Act takes effect September 1, 2009.