

By: Bailes

H.B. No. 2882

A BILL TO BE ENTITLED

AN ACT

1
2 relating to information provided to a payee by a payor of proceeds
3 of production from an oil or gas well that traverses multiple
4 tracts.

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

6 SECTION 1. The heading to Section 91.402, Natural Resources
7 Code, is amended to read as follows:

8 Sec. 91.402. [~~TIME FOR~~] PAYMENT OF PROCEEDS; DIVISION
9 ORDERS.

10 SECTION 2. Section 91.402, Natural Resources Code, is
11 amended by adding Subsection (d-1) to read as follows:

12 (d-1) For a horizontal well whose wellbore extends outside
13 of the tract on which a payee has an interest directly or through
14 pooling, the payor shall include in the division order or provide in
15 a separate statement included with the division order:

16 (1) an as-drilled plat of the well to which the
17 division order applies; and

18 (2) an explanation of the formula used to allocate
19 production between the different tracts through which the wellbore
20 passed or was pooled.

21 SECTION 3. Section 91.402(d-1), Natural Resources Code, as
22 added by this Act, applies only to a division order issued on or
23 after the effective date of this Act. A division order issued before
24 the effective date of this Act is governed by the law in effect on

1 the date the division order was issued, and the former law is
2 continued in effect for that purpose.

3 SECTION 4. This Act takes effect September 1, 2021.