

Hall of the House of Representatives
88th General Assembly - Regular Session, 2011
Amendment Form

Subtitle of Senate Bill No. 265

TO CLARIFY THE TIME OF EXPIRATION OF OIL AND GAS LEASES AND THE
SEVERANCE OF SECTIONS OR UNITS IN WHICH PRODUCTION HAS NOT BEEN
OBTAINED DURING THE PRIMARY TERM OF THE LEASES.

Amendment No. 1 to Senate Bill No. 265

Amend Senate Bill No. 265 as engrossed, S2/21/11 (version: 02/21/2011 02:41:34 PM)

Page 1, delete lines 26 through 34 and substitute the following:

"(a) The term of an oil and gas, or oil or gas, lease extended by ~~production in quantities in activities on lands in one (1) section or pooling unit, in which there is production whether established by rule or by order of the Oil and Gas Commission or the lease,~~ shall not be extended ~~in lands in to sections or pooling units under the lease where there has been no production or exploration activity.~~

(b) ~~This section shall not apply when drilling operations have commenced on any part of lands in sections or pooling units under the lease within one (1) year after the expiration of the primary term, or within one (1) year after the completion of a well on any part of lands in sections or pooling units under the lease.~~ Subsection (a) of this section does not prevent the parties to the lease from agreeing to a continuous drilling provision in order to extend the lease term to additional lands drilled or included in another section or unit if the lessor's waiver of the right to terminate the lease to the additional lands, sections, or units where no activity has occurred before the expiration of the lease is fully set forth in the lease or another agreement in bold, enlarged, or other distinctive print.

(c) ~~The provisions of this section shall apply to all oil and gas, or oil or gas, leases entered into on and after July 4, 1983. After the primary term of a lease in an uncontrolled oil field with no spacing requirements, a producing well shall contain a maximum of one (1) governmental quarter-quarter section as a production unit.~~



The Amendment was read _____

By: Representative Shepherd
DLP/AMH - 03/22/11 09:28
DLP219

Chief Clerk