



Senate Environmental Resources and Energy Committee

Senator Gene Yaw
Chairman

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Summary Senate Bill 1236, P.N.1723

Prime Sponsor: Senator Yaw

- Amends Act 60 of 1979, also known as the Oil and Gas Lease Act.
- Defines “Lessee” as a person that has obtained the right to explore, drill, stimulate, produce, market or sell oil, gas or natural gas liquids pursuant to an executed lease.

Defines “Lessor” as an owner of oil and gas in place that controls the oil and gas rights and executes a lease granting the right to explore, drill, stimulate, produce, market or sell oil, gas or natural gas liquids.

- Requires the lessee to list a unique property identification on the lessor’s royalty stub.
- On an annual basis, the lessee is required to list the following information in the case of a joint venture:
 - Name of companies
 - Company addresses
 - Company telephone numbers
 - Each joint venture decimal interest
- Authorizes a lessor or a person acting on behalf of a lessor to inspect the record of a lessee after making a written request.
 - The information must pertain to the royalties paid within the three-year period immediately preceding the date of the request.
- Within 30 days of the request, the lessee must:
 - Designate a location in the Commonwealth that does not impose an unreasonable travel burden on the lessor.
 - Designate a date for inspection within 90 days of receipt of the request or as mutually agreed.
- The lessee must provide supporting documentation required under section 3.2 for services provided by third parties and the documentation shall consist of invoiced amounts for the

services provided but will not include the composition of the fees charged by an unaffiliated third party.

- The information provided within the inspection of the records shall be confidential and not disclosed to any other person unless through a judicial proceeding.

Effective Date

- This bill will take effect in 60 days