

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009  
4

*As Engrossed: S3/18/09*

# A Bill

HOUSE BILL 2247

5 By: Representatives Maloch, Glidewell, Hoyt  
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## For An Act To Be Entitled

9 AN ACT TO CODIFY THE DUTY AND THE OBLIGATION OF A  
10 MINERAL LESSEE TO A MINERAL LESSOR; TO ALLOW THE  
11 PARTIES TO AN OIL AND GAS LEASE TO STIPULATE THE  
12 PRUDENT OPERATOR STANDARD; AND FOR OTHER  
13 PURPOSES.  
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## Subtitle

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17 TO CODIFY THE DUTY AND THE OBLIGATION OF  
18 A MINERAL LESSEE TO A MINERAL LESSOR AND  
19 TO ALLOW THE PARTIES TO AN OIL AND GAS  
20 LEASE TO STIPULATE THE PRUDENT OPERATOR  
21 STANDARD.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code Title 15, Chapter 73, Subchapter 2 is amended  
27 to add an additional section to read as follows:

28 15-73-207. Prudent operator standard.

29 (a) A mineral lessee under an oil and gas lease does not owe a  
30 fiduciary duty or a fiduciary obligation to the mineral lessor.

31 (b) The mineral lessee shall:

32 (1) Perform the covenants of the lease in good faith; and

33 (2) Develop and operate the leased mineral estate as a prudent  
34 operator for the mutual benefit of the mineral lessor and mineral lessee.  
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36 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the



1 General Assembly of the State of Arkansas that oil and gas leasing activity  
2 has significantly increased in the state; that the ongoing development of the  
3 state's oil and gas resources is vital to the state's economic wellbeing; and  
4 that the relationship between mineral lessors and mineral lessees must be  
5 clarified to encourage investment in and development of the state's natural  
6 resources. Therefore, an emergency is declared to exist and this act being  
7 immediately necessary for the preservation of the public peace, health and  
8 safety shall become effective on:

9 (1) The date of its approval by the Governor;

10 (2) If the bill is neither approved nor vetoed by the Governor,  
11 the expiration of the period of time during which the Governor may veto the  
12 bill; or

13 (3) If the bill is vetoed by the Governor and the veto is  
14 overridden, the date the last house overrides the veto.

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16 */s/ Maloch*  
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