

State of Arkansas

76th General Assembly

Regular Session, 1987

SENATE BILL 224

By: Senator Walters

"AN ACT TO PROVIDE THAT WHEN A LESSEE WITH A RIGHT TO PRODUCE NATURAL GAS SHUTS IN A WELL CAPABLE OF PRODUCING BUT DOES NOT PRODUCE DUE TO UNFAVORABLE MARKET CONDITIONS, THE LESSEE SHALL BEGIN PAYING A MINIMUM ADVANCE ROYALTY TWO YEARS AFTER THE DATE OF SHUT IN; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. When a lessee with the rights to drill for and produce natural gas shuts in a well that is capable of producing but the lessee chooses not to produce because of unfavorable market conditions, beginning two years after the date of shut in the lessee shall commence paying minimum advance royalties of twenty-five dollars (\$25.00) per acre per year to the royalty owner.

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

