

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: S2/21/11
A Bill

SENATE BILL 265

5 By: Senator Salmon
6

7 **For An Act To Be Entitled**

8 AN ACT TO CLARIFY THE TIME OF EXPIRATION OF OIL AND
9 GAS LEASES AND THE SEVERANCE OF SECTIONS OR UNITS IN
10 WHICH PRODUCTION HAS NOT BEEN OBTAINED DURING THE
11 PRIMARY TERM OF THE LEASES; AND FOR OTHER PURPOSES.
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14 **Subtitle**

15 TO CLARIFY THE TIME OF EXPIRATION OF OIL
16 AND GAS LEASES AND THE SEVERANCE OF
17 SECTIONS OR UNITS IN WHICH PRODUCTION HAS
18 NOT BEEN OBTAINED DURING THE PRIMARY TERM
19 OF THE LEASES.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 15-73-201 is amended to read as follows:
25 15-73-201. Lease extended by production – Scope.

26 ~~(a)~~ The term of an oil and gas, or oil or gas, lease extended by
27 production in quantities in lands in one (1) section or pooling unit in which
28 there is production shall not be extended in lands in sections or pooling
29 units under the lease where there has been no production or exploration.

30 ~~(b)~~ ~~This section shall not apply when drilling operations have~~
31 ~~commenced on any part of lands in sections or pooling units under the lease~~
32 ~~within one (1) year after the expiration of the primary term, or within one~~
33 ~~(1) year after the completion of a well on any part of lands in sections or~~
34 ~~pooling units under the lease.~~

35 ~~(c)~~ ~~The provisions of this section shall apply to all oil and gas, or~~
36 ~~oil or gas, leases entered into on and after July 4, 1983.~~



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/s/Salmon