

**H. B. 4353**

(By Delegate Manypenny)

[Introduced January 31, 2012; referred to the  
Committee on the Judiciary then Finance.]

A BILL to amend the Code of West Virginia, 1931, as amended, by  
adding thereto a new section, designated §36-4-9b, relating to  
permitting mineral owners and producers to negotiate a new  
lease under certain conditions; requiring mineral leases to  
state with specificity when they end; and prohibiting leases  
to be held in perpetuity.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended  
by adding thereto a new section, designated §36-4-9b, to read as  
follows:

**ARTICLE 4. COVENANTS.**

**§36-4-9b. Restrictions on length of mineral leases.**

Notwithstanding the provisions of section nine-a of this  
article:

1       (1) Either the mineral owner or the mineral producer may  
2 renegotiate the terms and conditions of a lease that is held  
3 through fractionalized development in the event the minerals being  
4 extracted have not been in full production for five continuous  
5 years or after five years for acreage that has been held only by  
6 one or more production wells in a unit that does include that  
7 acreage;

8       (2) All leases for the extraction of minerals must state with  
9 specificity when, or under what conditions, the lease terminates.  
10 If it is determined that a lease is ambiguous or unclear, its  
11 termination date shall be read in a light most favorable to the  
12 mineral owner; and

13       (3) Mineral leases may not be held in perpetuity.

NOTE: The purpose of this bill is to permit mineral leases that are held through fractionalized development to be renegotiated in the event the minerals being extracted have not been in full production for five continuous years after five years for acreage that has been held only by one or more production wells in a unit that does include that acreage. The bill requires that leases for the extraction of minerals to state with specificity when, or under what conditions, the lease terminates. The bill also provides that leases may not be held in perpetuity.

This section is new; therefore, it has been completely underscored.