

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

Senate Bill 22

By Senator Smith (Mr. President)

[Introduced February 12, 2025; referred
to the Committee on Energy, Industry, and Mining]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new section,
2 designated §36-4-9c, relating to providing for enhanced damages for nonpayment of
3 royalties due from oil, natural gas, or natural gas liquids production under the terms of a
4 lease or other agreement.

Be it enacted by the Legislature of West Virginia:

ARTICLE**4.****COVENANTS.****§36-4-9c. Penalties for nonpayment of royalties under the terms of oil and natural gas**

leases during production from conventional vertical wells.

1 With regard to conventional vertical oil, natural gas, or natural gas liquids, wells only,
2 permitted under §22-6-1 et seq., unless otherwise provided for in writing or unless there is a bona
3 fide dispute between the parties, any lessee or operator of oil, natural gas, or natural gas liquids, or
4 their successors or assigns, who fails to pay a royalty payment for mineral production to a lessor,
5 or their successors and assigns, under the terms of a lease or other agreement within six months
6 after the date payment is due under the terms of the lease or other agreement, shall be liable to
7 such lessor or landowner, or their successors or assigns, in an amount equal to three times the
8 market value of the extracted minerals for which payment is due, plus reasonable attorney's fees
9 and costs in addition to and notwithstanding any other rights, remedies, and penalties otherwise
10 provided by law.

NOTE: The purpose of this bill is to provide for enhanced damages for nonpayment of royalties due from oil, natural gas, or natural gas liquids production under the terms of a lease or other agreement.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.