

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

### **Committee Substitute**

**for**

### **Senate Bill 22**

BY SENATORS SMITH (MR. PRESIDENT), WOELFEL, AND

HAMILTON

[Reported March 4, 2025, from 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 (a) With regard to conventional vertical oil, natural gas wells, and derivative natural gas  
2 liquids only, permitted under §22-6-1 et seq. of this code, unless otherwise provided for in writing  
3 or unless there is a bona fide dispute between the parties, any lessee or operator of oil, natural  
4 gas, or natural gas liquids, or their successors or assigns, who fails to pay a royalty payment for  
5 mineral production to a lessor, or their successors and assigns, under the terms of a lease or  
6 other agreement within six months after the date payment is due under the terms of the lease or  
7 other agreement, shall be liable to such lessor or landowner, or their successors or assigns, in an  
8 amount equal to three times the market value of the unpaid royalty for which payment is due.

9 (b) The provisions of subsection (a) of this section shall apply to all royalty payment  
10 disputes filed with a court of competent jurisdiction on or after July 1, 2025.

11 (c) Non-exclusive jurisdiction and venue are proper in the county in which the subject well  
12 and leasehold is located.

13 (d) The prevailing party may be awarded reasonable attorney's fees and costs in addition  
14 to and notwithstanding any other rights, remedies, and penalties otherwise provided by law.