

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Enrolled

Committee Substitute

for

Senate Bill 22

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

HAMILTON

[Passed April 7, 2025; in effect 90 days from passage (July 6, 2025)]

1 AN ACT 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 non-payment of
3 royalties due from oil, natural gas, or natural gas liquids production under the terms of a
4 lease or other agreement; providing for treble damages for unpaid royalties after non-
5 payment for six months, unless there is a bona fide dispute or the damages are otherwise
6 provided for in writing; providing for proper jurisdiction and venue for causes of action to
7 resolve disputes; providing for the prevailing party to be awarded reasonable attorney's
8 fees and costs; and providing that the section applies to disputes filed on or after July 1,
9 2025.

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.

The Clerk of the Senate and the Clerk of the House of Delegates hereby certify that the foregoing bill is correctly enrolled.

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Clerk of the Senate

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Clerk of the House of Delegates

Originated in the Senate.

In effect 90 days from passage.

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President of the Senate

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Speaker of the House of Delegates

The within is this the.....
Day of, 2025.

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Governor