

House Amd Adopted 9-14 Reimbursement of property tax to surface owner

Delegate Manchin move to amend the bill on page 65, line 11, following the period, by inserting a new section, to read as follows:

1 **"ARTICLE 7. OIL AND GAS PRODUCTION DAMAGE COMPENSATION.**

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3 **§22-7-3. Compensation of surface owners for drilling operations.**

4 (a) The oil and gas developer shall be obligated to pay the
5 surface owner compensation for:

6 (1) Lost income or expenses incurred as a result of being
7 unable to dedicate land actually occupied by the driller's
8 operation or to which access is prevented by such drilling
9 operation to the uses to which it was dedicated prior to
10 commencement of the activity for which a permit was obtained
11 measured from the date the operator enters upon the land until the
12 date reclamation is completed, (2) the market value of crops
13 destroyed, damaged or prevented from reaching market, (3) any
14 damage to a water supply in use prior to the commencement of the
15 permitted activity, (4) the cost of repair of personal property up
16 to the value of replacement by personal property of like age, wear
17 and quality, and (5) the diminution in value, if any, of the
18 surface lands and other property after completion of the surface
19 disturbance done pursuant to the activity for which the permit was

1 issued determined according to the actual use made thereof by the
2 surface owner immediately prior to the commencement of the
3 permitted activity.

4 (b) For any horizontal well permitted pursuant to article 6A
5 of this chapter, the operator shall pay the surface owner \$2,500.00
6 to compensate for payment of real property taxes for the surface
7 lands that are encumbered or disturbed by construction or operation
8 of the horizontal well pad.

9 (c) The amount of damages and reimbursement pursuant to
10 subsections (a) and (b) may be determined by any formula mutually
11 agreeable between the surface owner and the oil and gas developer.

12 ~~(b)~~ (d) Any reservation or assignment of the compensation
13 provided in this section apart from the surface estate except to a
14 tenant of the surface estate is prohibited.

15 ~~(c)~~ (e) In the case of surface lands owned by more than one
16 person as tenants in common, joint tenants or other co-ownership,
17 any claim for compensation under this article shall be for the
18 benefit of all such co-owners. The resolution of a claim for
19 compensation provided in this article shall operate as a bar to the
20 assertion of additional claims under this section arising out of
21 the same drilling operations.”