S T A T E O F N E W Y O R K

10956

I N A S S E M B L Y

May 5, 2010

Introduced by M. of A. LUPARDO -- read once and referred to the Committee on Environmental Conservation

AN ACT to amend the environmental conservation law, in relation to integrated royalty owners in the New York Marcellus Shale region

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subparagraph 3 of paragraph a of subdivision 3 of section 23-0901 of the environmental conservation law, as amended by chapter 386 of the laws of 2005, is amended to read as follows:

(3) "Integrated royalty owner" means an owner who has either elected to be an integrated royalty owner or who does not elect to become either a participating owner or a non-participating owner. [The integrated] INTEGRATED royalty [owner] OWNERS, OTHER THAN INTEGRATED ROYALTY OWNERS IN THE NEW YORK MARCELLUS SHALE REGION, shall receive a royalty equal to the lowest royalty in an existing lease in the spacing unit, but no less than one-eighth. INTEGRATED ROYALTY OWNERS IN THE NEW YORK MARCELLUS SHALE REGION SHALL RECEIVE A ROYALTY EQUAL TO THE HIGHEST ROYALTY IN AN EXISTING LEASE IN THE SPACING UNIT, BUT NO LESS THAN 18.75 PERCENT. The integrated royalty owner shall have no obligation to the well operator or any other owner for any charges, taxes or fees associated with the operation of the oil or gas well and, notwithstanding any other law to the contrary, shall not be liable by reason of the owner's status as an integrated royalty owner for any claims for personal injury or property damage suffered by any person relating to the drilling and operation of the well.

S 2. This act shall take effect immediately.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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