## CALL OR E-MAIL SENATE NATURAL RESOURCES COMMITTEE MEMBERS NOW!

<u>Senator Van Taylor's</u> forced unitization bill, <u>SB 177</u>, will get a committee hearing this **Tuesday**, **April 11.** This is an extraordinarily bad bill for landowners and mineral interest owners. It takes away your right to negotiate an oil lease. Instead, the bill allows a company to force mineral owners into large units for enhanced oil recovery operations, like carbon dioxide floods, at unfavorable terms mandated by the law.

You need to let the senators on the <u>Natural Resources Committee</u> know this legislation will would strip mineral owners' power over their property Ask them to **vote NO on SB 177**!

Here are the major points you need to know about SB 177 and that you need to tell committee members.

1. SB 177 IS BAD FOR TEXAS PRIVATE PROPERTY RIGHTS.

2. SB 177 only requires 70% approval of the total working interest, not 70% of affected working interest owners. This eliminates any leverage smaller mineral owners have to protect their rights. If one company controls a working interest that makes up 70% of the area covered by a proposed unit, that company can force the remaining 30% of mineral owners into a unit. The bill allows the company to later expand the unit beyond the initial area where they had control of 70%.

3. SB 177 leaves mineral owners no real choice. If a mineral owner makes the decision to not ratify a forced-unitization order, they are forced into the unit *and* held liable for 5/6 of the operating costs. The unit operator can attach a lien of up to 300% of the estimated costs to the mineral property (on which mineral owner will still owe taxes). Enhanced-recovery operations carry significant up-front costs and can take 6 to 10 years for a unit to see significant production.

4. SB 177 exempts public land. If a proposed forced-unitization system is not good enough for state-owned property, it is not good for private property.

5. The current system of *voluntarily* negotiating oil leases has withstood the test of time for over 100 years. Things are working in Texas!

Senator Taylor wants to change the law to strip your power over your own property so private companies with CO2 resources can more easily profit. Tell committee members that Texans value our property rights and oppose SB 177. Ask the committee to vote NO!

It is imperative you call or send your comments *before* the committee hearing on Tuesday, April 11. Click on a senator's name below to access the webpage through which you email can them.

Texas Senate Committee on Natural Resources & Economic Development Chair: Craig Estes - (512) 463-0130 Vice Chair: Judith Zaffirini - (512) 463-0121 Konni Burton - (512) 463-0110 Sylvia R. Garcia - (512) 463-0106 Kelly Hancock - (512) 463-0109 Juan "Chuy" Hinojosa - (512) 463-0120 Don Huffines - (512) 463-0116 Borris L. Miles - (512) 463-0113 José Rodríguez - (512) 463-0129 Kel Seliger - (512) 463-0131 Van Taylor - (512) 463-0108 Committee Clerk: Paige McGhee - (512) 463-0390

If you would like more information about this or other matters being pursued by TLMA, contact the TLMA office at (512) 479-5000 or write to Texas Land & Mineral Owners Association, 1005 Congress Avenue, Suite 360, Austin, TX 78701. You may also visit us on-line at www.tlma.org.

The TLMA website provides a central location for you to find news and updates, lists of bills, links to legislative pages, and a list of ALERTS after they have been sent out to keep you up to date during the legislative session. Check the 2017 Legislative Session page under the News & Resources tab. You can also follow what is happening with our eminent domain reform efforts through the coalition of landowner groups Texans for Property Rights at <u>www.texansforpropertyrights.com</u>.

Sign in to the TLMA website to access members-only resources like the <u>Discussion Forum</u>, and, when you have a moment, complete our <u>survey</u> to help TLMA better serve our members.

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