

CHAPTER 1071

S.B. No. 825

AN ACT

relating to the application of the standard of prudent operation in a suit for damages alleging waste.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 85.321, Natural Resources Code, is amended to read as follows:

Sec. 85.321. SUIT FOR DAMAGES. A party who owns an interest in property or production that may be damaged by another party violating the provisions of this chapter that were formerly a part of Chapter 26, Acts of the 42nd Legislature, 1st Called Session, 1971, as amended, or another law of this state prohibiting waste or a valid rule or order of commission may sue for and recover damages and have any other relief to which he or she may be entitled at law or in equity. *Provided, however, that in any action brought under this section or otherwise, alleging waste to have been caused by an act or omission of a lease owner or operator, it shall be a defense that the lease owner or operator was acting as a reasonably prudent operator would act under the same or similar facts and circumstances.*

SECTION 2. The importance of this legislation and the crowded condition of the calendar in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force immediately upon and after its passage, and it is so enacted.

Passed the Senate on April 30, 1987, by the following vote: Yeas 29, Nays 0; and that the Senate concurred in House amendment on May 25, 1987, by a viva-voce vote.

Passed the House, with amendment, on May 22, 1987, by a non-record vote.

Approved June 20, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.