

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

HOUSE BILL HB1738:

Morgan (Danny)

AS INTRODUCED

An Act relating to oil and gas; amending 52 O.S. 2001, Section 570.12, which relates to the Production Revenue Standards Act; requiring certain information be provided with payments; modifying certain information; requiring certain information be provided to the owner upon request; providing an exemption to certain information requirement under certain circumstances; requiring certain information be provided when certain changes are made; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 52 O.S. 2001, Section 570.12, is amended to read as follows:

Section 570.12 A. The following information for each property and month of sale shall be included with each payment made to an interest owner from the sale of oil or gas:

1. Lease or well identification including the county and state in which the lease or well is located and the lease or well name;
2. Month and year of sales included in the payment;
3. Total barrels or MCF attributed to such payment;
4. Price per barrel or MCF, including British Thermal Unit adjustment of gas sold;
5. Total amount attributed to such payment of severance and other production taxes, with the exception of windfall profit tax;
6. Net value of total sales attributed to such payment after taxes are deducted;
7. Owner's interest, expressed as a decimal, in production from the property;

8. Owner's share of the total value of sales attributed to such payment prior to any deductions;

9. Owner's share of the sales value attributed to such payment less owner's share of the production and severance taxes; and

10. ~~A specific listing of the amount and purpose of any other deductions from the proceeds attributed to such payment due to the owner upon request by the owner~~ telephone number at which additional information regarding the payment may be obtained and questions may be answered.

B. For purposes of the Production Revenue Standards Act:

1. All revenue decimals shall be calculated to not less than the nearest sixth decimal place, which is the nearest part in one million; and

2. Gas volumes reported to any owner shall be measured as required by Section 474 of Title 52 of the Oklahoma Statutes.

C. A specific listing of the amount and purpose of any deductions, other than severance and other production taxes, from the proceeds attributed to payment due the owner shall be provided upon request by the owner.

D. A payor shall not be required to include the lease or well name on each payment document if the payor provided, by division order or other document, a cross reference of the lease or well name to the lease or well identification number prior to or concurrent with the first payment to an owner. A payor shall be required to send an owner an updated cross reference if a lease or well identification number changes.

SECTION 2. This act shall become effective July 1, 2004.

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