ENGROSSED HOUSE
BILL NO. 1589

By: Adkins of the House

and

Crutchfield of the Senate

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; limiting number of requests; requiring cross-reference information to be provided to owners at certain times; allowing cross-reference information to be provided in certain forms; 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 <u>including the county and state in which the lease or well is located</u>;

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 production and severance tax 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~~ this title.

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 by the payor upon written request by the owner. The payor shall not be required to provide the information to the owner more than two times per calendar year.

D. Prior to or concurrent with first payment to an owner, a payor shall provide a cross-reference of the lease or well name to the lease or well identification number. A payor shall also provide a cross-reference upon written request of an owner. In addition, a payor shall provide a cross-reference to an owner any time a lease or well identification number changes. Cross-references may be provided in any written form including a division order, letter, or check stub containing the required information.

SECTION 2. This act shall become effective July 1, 2005.

Passed the House of Representatives the 15th day of March, 2005.

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Presiding Officer of the House of Representatives

Passed the Senate the ____ day of _____, 2005.

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Presiding Officer of the Senate