

**EHB 1589**

**THE STATE SENATE**  
**Wednesday, April 13, 2005**

**ENGROSSED**

**House Bill No. 1589**

**As Amended**

ENGROSSED HOUSE BILL NO. 1589 - By: ADKINS of the House and  
CRUTCHFIELD of the Senate.

**[ oil and gas - Production Revenue Standards Act - 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;

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;

1           6. Net value of total sales attributed to such payment after  
2 taxes are deducted;

3           7. Owner's interest, expressed as a decimal, in production from  
4 the property;

5           8. Owner's share of the total value of sales attributed to such  
6 payment prior to any production and severance tax deductions;

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

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

14           B. For purposes of the Production Revenue Standards Act:

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

18           2. Gas volumes reported to any owner shall be measured as  
19 required by Section 474 of ~~Title 52 of the Oklahoma Statutes~~ this  
20 title.

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

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

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

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

13 COMMITTEE REPORT BY: COMMITTEE ON ENERGY & ENVIRONMENT, dated 4-7-05  
14 - DO PASS, As Amended.