

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2372

By: Miller (Ken)

AS INTRODUCED

An Act relating to oil and gas; amending 52 O.S. 2001, Section 570.12, which relates to information included on payments to interest owners; modifying, deleting, and adding information required to be included with interest owner payments; updating statutory reference; requiring the payor to provide certain specific information to a royalty interest owner upon written request; listing required information; requiring the payor to respond to a written request within certain time period; directing the payor to provide producing owner information to the royalty interest owner in certain circumstances; requiring the producing owner to provide certain information to the royalty interest owner; providing an effective date; and declaring an emergency.

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, unit, or well name including the county and state in which it is located, and the identification number assigned to it by the payor;

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~~ An address and 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. 1. Upon written request by the owner of a royalty interest submitted to its payor via certified mail, the payor shall provide to the royalty interest owner in writing any of the following information which has been specifically requested:

- a. a specific listing of the amount and purpose of any deductions, other than severance and production taxes, from the proceeds attributable to the payment due the owner, and
- b. a listing of the names, payor-assigned identification numbers, and legal description (section, township, and range) of all wells in which the royalty interest

owner has an ownership interest and for which the payor is responsible for remitting the royalty share.

2. The payor of the royalty interest shall respond via certified mail within sixty (60) days of receipt of a request from a royalty owner pursuant to this subsection. In the event that the payor is an operator distributing proceeds pursuant to Section 570.7 of this title and is not the producing owner who has made the specific deductions inquired about, the payor shall provide the name and address of the producing owner making such deduction to the royalty interest owner. The producing owner shall be responsible for providing the information listed in subparagraph a of paragraph 1 of this subsection to the royalty interest owner.

SECTION 2. This act shall become effective July 1, 2006.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

50-2-8706

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