

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

SENATE BILL 1413

By: Branam

AS INTRODUCED

An Act relating to oil and gas; amending 52 O.S. 2001, Section 570.12, which relates to information on royalty interest payments; modifying information required with each payment; requiring payors to provide certain information upon request; stating exception; 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, unit or well name, including the county and state where 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~~ law.

C. 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:

1. 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;

2. A listing of the name, payor-assigned identification numbers, and legal description including 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.

3. The payor of the royalty interest shall respond via certified mail within sixty (60) days of the receipt of a properly filed 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 not the producing owner

who has made any specific deduction for which the royalty interest owner is requesting information, the payor shall provide to the royalty interest owner the name and address of the producing owner who made the deduction in question. The producing owner shall be responsible for providing the information required in paragraph 1 of this subsection to its royalty interest owner.

SECTION 2. This act shall become effective July 1, 2007.

50-2-2714

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