

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 3394

By: Moore

COMMITTEE SUBSTITUTE

An Act relating to oil and gas; amending 52 O.S. 2021, Sections 570.1 and 570.11, which relate to the Production Revenue Standards Act; updating statutory references; renaming the Production Revenue Standards Act; providing for transfer orders and substitute division orders; and providing an effective date.

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

SECTION 1. AMENDATORY 52 O.S. 2021, Section 570.1, is amended to read as follows:

Section 570.1 Sections ~~4~~ 570.1 through ~~15~~ 570.15 of this ~~act~~ title shall be known and may be cited as the "Production Revenue ~~Standards~~ and Royalty Standardization Act".

SECTION 2. AMENDATORY 52 O.S. 2021, Section 570.11, is amended to read as follows:

Section 570.11. A division order or transfer order is an instrument prepared by the operator, the first purchaser of the production or holder of proceeds for the purpose of directing the

1 distribution of proceeds from the sale of oil, gas, casinghead gas
2 or other related hydrocarbons which warrants in writing the division
3 of interest and the name, address and tax identification number of
4 each interest owner with a provision requiring notice of change of
5 ownership. Any owner legally entitled to receive a distribution of
6 production proceeds may prepare and submit to the operator, the
7 first purchaser of the production or holder of proceeds a substitute
8 division order or transfer order which warrants in writing the
9 division of interest and the name, address and tax identification
10 number of each interest owner with a provision requiring notice of
11 change of ownership. A division order or transfer order is executed
12 to enable the first purchaser of the production or holder of
13 proceeds to make remittance of proceeds directly to the owners
14 legally entitled thereto and does not relieve the lessee of any
15 liabilities or obligations under the oil and gas lease. Terms of a
16 division order or transfer order which conflict with the terms of
17 any oil and gas lease are invalid, unless previously agreed to by
18 the affected parties. This ~~subsection~~ section shall only apply to
19 division orders or transfer orders executed on or after July 1,
20 1989.

21 SECTION 3. This act shall become effective November 1, 2022.

22
23 58-2-10934 JL 03/02/22
24

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24