

1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4  
5  
6  
7  
8  
9  
0  
1  
2  
3  
4

**AS AMENDED**

By: Moore of the House

and

Taylor of the Senate

```
[ oil and gas - Production Revenue Standards Act -
transfer orders and substitute division orders -
effective date ]
```

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

SECTION 1. AMENDATORY 52 O.S. 2011, Section 570.1, is amended to read as follows:

Section 570.1. Sections ~~±~~ 570.1 through ~~±~~ 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. 2011, 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 distribution of proceeds from the sale of oil, gas, casinghead gas or other related hydrocarbons which warrants in writing the division

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

19 SECTION 3. This act shall become effective November 1, 2021.

20 COMMITTEE REPORT BY: COMMITTEE ON ENERGY  
21 April 8, 2021 - DO PASS AS AMENDED  
22  
23  
24