

AMENDMENTS TO SENATE BILL NO. 806

Sponsor: SENATOR YAW

Printer's No. 1105

1 Amend Bill, page 2, lines 23 through 30; page 3, lines 1
2 through 30; page 4, lines 1 through 11; by striking out all of
3 said lines on said pages and inserting

4 Section 3.2. Payment information to [interest owners] royalty
5 owners for oil, natural gas and natural gas liquids
6 from a conventional formation.

7 Whenever payment is made [for oil or gas production to an
8 interest owner, whether pursuant to a division order, lease,
9 servitude or other agreement,] to a royalty owner for the
10 production of oil, gas or natural gas liquids from a
11 conventional formation, pursuant to an oil and gas lease, all of
12 the following information, at a minimum, shall be included on
13 the check stub provided to the royalty owner or on an attachment
14 to the form of payment provided to the royalty owner, unless the
15 information is otherwise provided on a regular basis:

16 (1) A name, number or combination of name and number
17 that identifies the lease, property, unit or well or wells
18 for which payment is being made; and the county in which the
19 lease, property or well is located.

20 (2) Month and year of [gas production] oil, gas or
21 natural gas liquids production for which payment is being
22 made.

23 (3) Total barrels of crude oil or number of Mcf of gas
24 or volume of natural gas liquids sold.

25 (4) Price received per barrel, Mcf or gallon.

26 (5) Total amount of severance and other production taxes
27 and other deductions permitted under the lease, with the
28 exception of windfall profit tax.

29 (6) Net value of total sales from the property less
30 taxes and deductions from paragraph (5).

31 (7) [Interest] Royalty owner's interest, expressed as a
32 decimal or fraction, in production from paragraph (1).

33 (8) [Interest] Royalty owner's share of the total value
34 of sales prior to deduction of taxes and deductions from
35 paragraph (5).

36 (9) [Interest] Royalty owner's share of the sales value
37 less the [interest] royalty owner's share of taxes and

1 deductions from paragraph (5).

2 (10) Contact information, including an address and
3 telephone number.

4 Section 3.3. [Accumulation of proceeds from production.

5 (a) General rule.--Proceeds from production of oil and gas
6 may be accumulated and remitted to the persons entitled thereto
7 annually for the 12 months' accumulation of proceeds totaling
8 less than \$100.

9 (b) Owner to be paid.--Notwithstanding any other provision
10 of this section to the contrary, all accumulated proceeds shall
11 be paid to the owner thereof when production ceases or upon
12 relinquishment or transfer of the payment responsibility.]

13 Payment information to royalty owners for oil, natural gas and
14 natural gas liquids from an unconventional formation.

15 (a) Payment information.--Whenever payment is made to a
16 royalty owner for the production of oil, gas or natural gas
17 liquids from an unconventional formation, pursuant to an oil and
18 gas lease, all of the following information, at a minimum, shall
19 be included on the check stub provided to the royalty owner or
20 on an attachment to the form of payment provided to the royalty
21 owner, unless the information is otherwise provided on a regular
22 basis:

23 (1) A common well name and the American Petroleum
24 Institute identification number that identifies the well for
25 which payment is being made.

26 (2) Month and year of oil, gas or natural gas liquids
27 production for which payment is being made.

28 (3) Total barrels of crude oil or number of Mcf or MMBtu
29 of gas and volume of natural gas liquids produced and sold
30 from each well.

31 (4) Price received by the payor per unit of oil, natural
32 gas and natural gas liquids produced and sold.

33 (5) The aggregate amounts for each category of
34 deductions for each well incurred by the payor which reduces
35 the royalty owner's payment, including all severance and
36 other production taxes.

37 (6) Net and gross value of the payor's total sales from
38 the sale of oil, gas and natural gas liquids from each well
39 less any deductions identified in paragraph (5).

40 (7) Royalty owner's legal and contractual interest in
41 the payor's share, expressed as a decimal or fraction.

42 (8) Royalty owner's share of the gross value of the
43 payor's total sales for the oil, gas and natural gas liquids
44 before any deductions identified in paragraph (5).

45 (9) Royalty owner's share of the sales value less the
46 royalty owner's share of taxes and any deductions identified
47 in paragraph (5).

48 (10) Payor's contact information, including an address
49 and telephone number.

50 Amend Bill, page 4, lines 26 and 27, by striking out "Subject

1 to the provisions of section 3.3, if" and inserting

2 If

3 Amend Bill, page 5, lines 14 through 23, by striking out all
4 of lines 14 through 22 and "(c)" in line 23 and inserting

5 (e)

6 Amend Bill, page 5, line 24, by striking out "(d)" and
7 inserting

8 (f)

9 Amend Bill, page 6, line 19, by striking out "(d)" and
10 inserting

11 (f)