

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

SENATE BILL 222

5 By: Senator G. Jeffress
6 By: Representatives Shepherd, G. Smith
7

For An Act To Be Entitled

9 AN ACT TO MODIFY THE QUARTERLY PAYMENT SCHEDULE FOR
10 ROYALTIES ON ADDITIONAL SUBSTANCES DECLARED BY THE
11 ARKANSAS OIL AND GAS COMMISSION TO BE PROFITABLY
12 EXTRACTED FROM BRINE PRODUCED FROM A BRINE UNIT; TO
13 CLARIFY THAT THE ACCOUNTING TO ROYALTY OWNERS SHALL
14 BE ACCOMPANIED BY ROYALTY PAYMENTS DUE; TO PROVIDE
15 THAT THE ACCOUNTING AND CORRESPONDING PAYMENTS TO
16 ROYALTY OWNERS SHALL CONTINUE TO BE MADE ON A
17 QUARTERLY BASIS, EXCEPT THAT ROYALTY PAYMENTS MAY BE
18 MADE ON AN ANNUAL BASIS FOR THE AGGREGATE OF UP TO
19 FOUR (4) QUARTERS OF ACCUMULATED ROYALTIES IF THE
20 AGGREGATE AMOUNT OWED TO A ROYALTY OWNER IS UNDER A
21 SPECIFIED AMOUNT; AND FOR OTHER PURPOSES.
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Subtitle

24 TO MODIFY THE QUARTERLY PAYMENT SCHEDULE
25 FOR ROYALTIES ON ADDITIONAL SUBSTANCES
26 DECLARED BY THE OIL AND GAS COMMISSION TO
27 BE PROFITABLY EXTRACTED FROM BRINE.
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31 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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33 SECTION 1. Arkansas Code § 15-76-315(c)(3), concerning the accounting
34 to royalty owners for additional substances declared by the Arkansas Oil and
35 Gas Commission to be profitably extracted from brine, is amended to read as
36 follows:



1 (3)(A) The Except as provided in subdivision (c)(3)(B) of this
2 section, the accounting by the producer shall be on a quarterly basis and
3 shall ~~begin on whichever comes first~~ be accompanied by payments due to
4 royalty owners. The producer's responsibility for making royalty payments
5 shall commence upon the occurrence of either of the two (2) following events:

6 ~~(A)~~ (i) The date of filing of a petition for an
7 accounting; or

8 ~~(B)~~ (ii) The time of the profitable extraction of
9 other substances.

10 (B) The accounting and corresponding royalty payments may
11 be made on an annual basis for the aggregate of up to four (4) quarters of
12 accumulated royalties if the aggregate amount owed to a royalty owner is one
13 hundred dollars (\$100) or less.

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16 **APPROVED: 03/04/2011**
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