

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Newman**

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 26-58-111 TO PROVIDE FOR
9 THE INCLUSION OF INJECTION WELLS UTILIZED IN UNIT
10 OPERATIONS AUTHORIZED AND APPROVED BY THE ARKANSAS OIL AND
11 GAS COMMISSION FOR PURPOSES OF COMPUTING THE PER WELL
12 PRODUCTION FROM THE ENTIRE UNIT AREA; AND FOR OTHER
13 PURPOSES."

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15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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17 SECTION 1. Arkansas Code Annotated §26-58-111(6) is hereby amended to
18 read as follows:

19 "(6) On oil, five percent (5%) of the market value at time and point of
20 severance. However, whenever the production of oil from a well which is
21 measured separately or from a group of wells which is measured separately
22 averages ten (10) barrels or less per well per day during any calendar month,
23 the privilege or license tax on oil produced from that well or group of wells
24 during that month shall be computed at the rate of four percent (4%) of the
25 market value at time and point of severance. In all cases of production of oil
26 from unit operations as authorized and approved by the Arkansas Oil and Gas
27 Commission, for purposes of computing the per well production aforesaid, the
28 aggregate production of oil from the entire unit shall be divided by the
29 number of wells within the unit, including injection wells utilized in unit
30 operations, and the quotient thereof shall be deemed and declared to be the
31 number of barrels of oil produced from each well in such unit regardless of
32 the actual amount of oil per day produced from the well, if any. The director
33 shall have the power to promulgate such reasonable rules and regulations as
34 shall be necessary to effectively enforce the foregoing provision;"

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1 SECTION 2. All provisions of this act of a general and permanent nature
2 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
3 Revision Commission shall incorporate the same in the Code.

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5 SECTION 3. If any provision of this act or the application thereof to
6 any person or circumstance is held invalid, such invalidity shall not affect
7 other provisions or applications of the act which can be given effect without
8 the invalid provision or application, and to this end the provisions of this
9 act are declared to be severable.

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11 SECTION 4. All laws or parts of laws in conflict with this act are
12 hereby repealed.

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14 SECTION 5. It is hereby found and determined by the General Assembly
15 that the best interest of the State of Arkansas can be served by the enactment
16 of this legislation, and this act being necessary for the recovery of the
17 maximum petroleum hydrocarbons as a natural resource of the State of Arkansas,
18 this act should be immediately effective. An emergency is hereby declared and
19 this act shall be in full force from and after its passage and approval.

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