

1 State of Arkansas

2 80th General Assembly

3 Regular Session, 1995

4 By: Representative Sheppard

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARK. CODE ANN. § 26-58-111(6) TO INCLUDE
9 WELLS UTILIZED FOR PRESSURE MAINTENANCE OR SECONDARY
10 RECOVERY PURPOSES IN THE CALCULATION OF SEVERANCE TAX ON
11 OIL BASED UPON THE QUANTITY SEVERED; AND FOR OTHER
12 PURPOSES."

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Subtitle

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

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22 SECTION 1. Ark. Code Ann. § 26-58-111(6) is amended to read as
23 follows:

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"(6) On oil, five percent (5%) of the market value at time and point
of severance. However, whenever the production of oil from a well which is
measured separately or from a group of wells which is measured separately,
including any well or wells that are utilized for the injection of saltwater
or other effluents for pressure maintenance or secondary recovery purposes,
averages ten (10) barrels or less per well per day during any calendar month,
the privilege or license tax on oil produced from that well or group of wells
during that month shall be computed at the rate of four percent (4%) of the
market value at time and point of severance. The director shall have the
power to promulgate such reasonable rules and regulations as shall be
necessary to effectively enforce the foregoing provisions;"

1 SECTION 2. All provisions of this act of a general and permanent
2 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
3 Code 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 and parts of laws in conflict with this act are
12 hereby repealed.

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14 SECTION 5. EMERGENCY. It is hereby found and determined by the
15 General Assembly that wells used to inject saltwater or other effluents for
16 pressure maintenance or secondary recovery purposes are not included under
17 current law for purposes of calculating a rate of severance tax which is
18 based upon the quantity severed and that this act will include these wells in
19 the calculation for severance tax purposes. Therefore, an emergency is
20 hereby declared to exist, and this act being immediately necessary for the
21 preservation of the public peace, health, and safety shall be in full force
22 and effect from and after its passage and approval.

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