

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4  
5 By: Senator D. Sanders

SCR 4

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7 **SENATE CONCURRENT RESOLUTION**

8 TO DIRECT THE SENATE COMMITTEE ON AGRICULTURE,  
9 FORESTRY, AND ECONOMIC DEVELOPMENT AND THE HOUSE  
10 COMMITTEE ON AGRICULTURE, FORESTRY, AND ECONOMIC  
11 DEVELOPMENT TO CONDUCT AN INTERIM STUDY TO EVALUATE  
12 THE CURRENT PROCEDURE FOR NATURAL GAS ROYALTY  
13 PAYMENTS AND TO RESEARCH POTENTIAL CHANGES TO IMPROVE  
14 ACCOUNTING PROCEDURES IN A MANNER THAT WOULD BENEFIT  
15 ROYALTY OWNERS AND WORKING INTEREST OWNERS.  
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18 **Subtitle**

19 TO DIRECT CERTAIN COMMITTEES TO CONDUCT  
20 AN INTERIM STUDY TO EVALUATE THE CURRENT  
21 PROCEDURE FOR NATURAL GAS ROYALTY  
22 PAYMENTS AND TO RESEARCH POTENTIAL  
23 CHANGES TO IMPROVE ACCOUNTING PROCEDURES.  
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25 WHEREAS, there are now over four thousand (4,000) natural gas wells in  
26 the Fayetteville Shale; and  
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28 WHEREAS, the current state formula for payment of royalties is a  
29 blended method that can contribute to duplication of effort for producers and  
30 confusion to royalty owners; and  
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32 WHEREAS, the effectiveness, accuracy, transparency, and timeliness of  
33 the current royalty payment procedures should be evaluated, particularly in  
34 the Fayetteville Shale,  
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36 NOW THEREFORE



1 BE IT RESOLVED BY THE SENATE OF THE EIGHTY-NINTH GENERAL ASSEMBLY OF THE  
2 STATE OF ARKANSAS, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

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4 THAT the Senate and House committees on Agriculture, Forestry, and  
5 Economic Development shall conduct an Interim Study to evaluate the current  
6 procedure for natural gas royalty payments, specifically in the Fayetteville  
7 Shale, and to research potential changes that would improve accounting  
8 procedures to benefit royalty owners and working interest owners.

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