



Senate Environmental Resources and Energy Committee

Senator Gene Yaw
Chairman

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Summary Amendment A05960 to Senate Bill 1236, P.N. 1723

Sponsor: Senator Yaw

Analysis

- Defines “Joint venture” as an association or any other contractual relationship of two or more individuals or companies engaged in the production of an oil or natural gas well for profit with or without an actual partnership or incorporation.
- Proceeds from production of oil and gas are to be paid within 60 days after production unless otherwise stated in a contractual document.
 - Past due payments shall be paid at the legal rate of interest.
- Proceeds may be accumulated and remitted quarterly for three months’ accumulation totaling less than \$100.
- Only requires joint venture company information from a joint venture company who is separately paying its share of the royalty.
- Further clarifies that the joint venture company disclose the proportionate share of oil or natural gas the company markets expressed as a decimal interest.
- Further clarifies that supporting documentation of payment information is required, regardless if it is charged by a third party.
 - For services which are provided by a third party, supporting documentation shall consist of invoiced amounts for the services provided, but shall not include the composition of the fees charged by an unaffiliated third party.
- A request for inspection may not be made more frequently than once in a twelve month period.