

## LEGISLATIVE REFERENCE BUREAU

AMENDMENTS TO SENATE BILL NO. 1236

Sponsor:

Printer's No. 1723

1 Amend Bill, page 1, line 9, by striking out "and" and

2 inserting

3 , 3.3 and

4 Amend Bill, page 2, by inserting between lines 5 and 6

5 "Joint venture." An association or any other contractual  
6 relationship of two or more individuals or companies engaged in  
7 the production of an oil or natural gas well for profit without  
8 actual partnership or incorporation.

9 Amend Bill, page 2, by inserting between lines 26 and 27

10 Section 3.3. Accumulation of proceeds from production.

11 (a) General rule.--[Proceeds] Unless otherwise provided by  
12 contract, proceeds from production of oil and gas [may be  
13 accumulated and remitted to the persons entitled thereto  
14 annually for the 12 months' accumulation of proceeds totaling  
15 less than \$100.] shall be paid within 60 days of production.

16 (a.1) Remittance.--Proceeds from production of oil and gas  
17 may be accumulated and remitted to the persons entitled thereto  
18 quarterly for the three months' accumulation of proceeds  
19 totaling less than \$100.

20 (a.2) Delinquency.--Delinquent payments under this section  
21 shall be paid at the legal rate of interest.

22 (b) Owner to be paid.--Notwithstanding any other provision  
23 of this section to the contrary, all accumulated proceeds shall  
24 be paid to the owner thereof when production ceases or upon  
25 relinquishment or transfer of the payment responsibility.

26 Amend Bill, page 3, line 6, by inserting after "basis"

27 if the joint venture company is separately paying its  
28 share of the royalty

29 Amend Bill, page 3, line 10, by striking out all of said line  
30 and inserting

31 (4) The proportionate share of oil or natural gas that  
32 each joint venture markets, expressed as a decimal interest.

1 Amend Bill, page 3, line 13, by striking out "records of a  
2 lessee" and inserting

3 supporting documentation of a lessee for the payment  
4 information required under section 3.2

5 Amend Bill, page 4, line 1, by striking out "3.2 for" and  
6 inserting

7 3.2. For

8 Amend Bill, page 4, line 2, by striking out ". Supporting"  
9 and inserting

10 , supporting

11 Amend Bill, page 4, by inserting between lines 16 and 17

12 (d) Frequency.--A request for inspection under this section  
13 may not be made more than once in a 12-month period.