

LEGISLATIVE REFERENCE BUREAU

AMENDMENTS TO SENATE BILL NO. 460

Sponsor:

Printer's No. 481

1 Amend Bill, page 1, lines 5 and 6, by striking out ", for
2 nonpayment of royalties and " in line 5 and "for effects of
3 nonpayment" in line 6

4 Amend Bill, page 2, lines 8 through 15, by striking out "A
5 contract of sale to the purchaser of oil " in line 8 and all of
6 lines 9 through 15 and inserting

7 An agreement signed by an interest owner directing the
8 distribution of proceeds from the sale of oil, gas, casing head
9 gas or other related hydrocarbons. The order shall direct and
10 authorize the payor to make payment for the products taken in
11 accordance with the division order.

12 Amend Bill, page 2, lines 16 and 17, by striking out "owning
13 a royalty interest or a " in line 16 and "working interest in an
14 oil or gas well or unit" in line 17 and inserting

15 who is legally entitled to payment from the proceeds
16 derived from the sale of oil or gas from an oil or gas
17 well located in this Commonwealth

18 Amend Bill, page 2, line 26, by striking out "Sections 2 and
19 3 of the act are" and inserting

20 Section 2 of the act is

21 Amend Bill, page 3, line 9, by striking out "provide" and
22 inserting

23 include

24 Amend Bill, page 3, line 9, by striking out "such"

25 Amend Bill, page 3, line 10, by inserting after "escalation"

1 equal to one-eighth metered royalty

2 Amend Bill, page 3, line 12, by striking out "for increased"
3 and inserting

4 to increase

5 Amend Bill, page 3, lines 15 through 23, by striking out all
6 of said lines

7 Amend Bill, page 3, by inserting between lines 24 and 25

8 Section 3.1. Commencement of guaranteed royalty.

9 Whenever a procedure to increase production has been
10 completed prior to the effective date of this section, metering
11 and the royalty required under section 1.3 or 2 shall commence
12 within 90 days after the effective date of this section.

13 Amend Bill, page 3, line 25, by striking out "3.1" and
14 inserting

15 3.2

16 Amend Bill, page 4, lines 2 through 4, by striking out "Lease
17 identification number, if any, or reference to" in line 2 and
18 all of lines 3 and 4 and inserting

19 A name, number or combination of name and number that
20 identifies the lease, property, unit or well or wells for which
21 payment is being made; and the county in which the lease,
22 property or well is located.

23 Amend Bill, page 4, lines 5 and 6, by striking out "sales or
24 purchase included in the" in line 5 and "payment" in line 6 and
25 inserting

26 gas production

27 Amend Bill, page 4, line 8, by striking out "purchased" and
28 inserting

29 or volume of natural gas liquids sold

30 Amend Bill, page 4, line 9, by striking out "Owner's final
31 realizable price per barrel or Mcf" and inserting

32 Price received per barrel, Mcf or gallon

33 Amend Bill, page 4, line 11, by inserting after "taxes"

1 and other deductions permitted under the lease
2 Amend Bill, page 4, lines 12 and 13, by striking out "after "
3 in line 12 and "taxes are deducted" in line 13 and inserting
4 less taxes and deductions from paragraph (5)
5 Amend Bill, page 4, line 14, by inserting after "decimal"
6 or
7 Amend Bill, page 4, line 17, by striking out "any tax
8 deduction" and inserting
9 deduction of taxes and deductions from paragraph (5)
10 Amend Bill, page 4, lines 19 and 20, by striking out "the
11 production and severance taxes, " in line 19 and all of line 20
12 and inserting
13 taxes and deductions from paragraph (5).
14 (10) Contact information, including an address and
15 telephone number.
16 Amend Bill, page 4, line 21, by striking out "3.2" and
17 inserting
18 3.3
19 Amend Bill, page 4, line 22, by striking out "Unless
20 otherwise requested, proceeds" and inserting
21 Proceeds
22 Amend Bill, page 4, lines 26 through 30; page 5, lines 1
23 through 8, by striking out all of said lines on said pages
24 Amend Bill, page 5, line 9, by striking out "(d)" and
25 inserting
26 (b)
27 Amend Bill, page 5, lines 13 through 30; page 6, lines 1
28 through 30; page 7, lines 1 through 25, by striking out all of
29 said lines on said pages