

1 State of Arkansas  
2 88th General Assembly  
3 Regular Session, 2011  
4

# A Bill

SENATE BILL 222

5 By: Senator G. Jeffress  
6 By: Representatives Shepherd, G. Smith  
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## For An Act To Be Entitled

9 AN ACT TO MODIFY THE QUARTERLY PAYMENT SCHEDULE FOR  
10 ROYALTIES ON ADDITIONAL SUBSTANCES DECLARED BY THE  
11 ARKANSAS OIL AND GAS COMMISSION TO BE PROFITABLY  
12 EXTRACTED FROM BRINE PRODUCED FROM A BRINE UNIT; TO  
13 CLARIFY THAT THE ACCOUNTING TO ROYALTY OWNERS SHALL  
14 BE ACCOMPANIED BY ROYALTY PAYMENTS DUE; TO PROVIDE  
15 THAT THE ACCOUNTING AND CORRESPONDING PAYMENTS TO  
16 ROYALTY OWNERS SHALL CONTINUE TO BE MADE ON A  
17 QUARTERLY BASIS, EXCEPT THAT ROYALTY PAYMENTS MAY BE  
18 MADE ON AN ANNUAL BASIS FOR THE AGGREGATE OF UP TO  
19 FOUR (4) QUARTERS OF ACCUMULATED ROYALTIES IF THE  
20 AGGREGATE AMOUNT OWED TO A ROYALTY OWNER IS UNDER A  
21 SPECIFIED AMOUNT; AND FOR OTHER PURPOSES.

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## Subtitle

24 TO MODIFY THE QUARTERLY PAYMENT SCHEDULE  
25 FOR ROYALTIES ON ADDITIONAL SUBSTANCES  
26 DECLARED BY THE OIL AND GAS COMMISSION TO  
27 BE PROFITABLY EXTRACTED FROM BRINE.  
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31 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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33 SECTION 1. Arkansas Code § 15-76-315(c)(3), concerning the accounting  
34 to royalty owners for additional substances declared by the Arkansas Oil and  
35 Gas Commission to be profitably extracted from brine, is amended to read as  
36 follows:



1           (3)(A) The Except as provided in subdivision (c)(3)(B) of this  
2 section, the accounting by the producer shall be on a quarterly basis and  
3 shall ~~begin on whichever comes first~~ be accompanied by payments due to  
4 royalty owners. The producer's responsibility for making royalty payments  
5 shall commence upon the occurrence of either of the two (2) following events:

6                           ~~(A)~~ (i) The date of filing of a petition for an  
7 accounting; or

8                           ~~(B)~~(ii) The time of the profitable extraction of  
9 other substances.

10                           (B) The accounting and corresponding royalty payments may  
11 be made on an annual basis for the aggregate of up to four (4) quarters of  
12 accumulated royalties if the aggregate amount owed to a royalty owner is one  
13 hundred dollars (\$100) or less.

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