

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE

4 FOR

5 HOUSE BILL NO. 2230

By: Moore

6
7 COMMITTEE SUBSTITUTE

8 An Act relating to oil and gas; updating statutory
9 references; renaming the Production Revenue and
10 Royalty Standardization Act; inclusion of provisions
11 for transfer orders and substitute division orders
12 and transfer orders; and providing an effective date.

13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. AMENDATORY 52 O.S. 2011, Section 570.1, is
15 amended to read as follows:

16 Section 570.1 Sections ~~4~~ 570.1 through ~~15~~ 570.15 of this ~~act~~
17 title shall be known and may be cited as the "Production Revenue
18 ~~Standards~~ and Royalty Standardization Act".

19 SECTION 2. AMENDATORY 52 O.S. 2011, Section 570.11, is
20 amended to read as follows:

21 Section 570.11 A division order or transfer order is an
22 instrument prepared by the operator, the first purchaser of the
23 production or holder of proceeds for the purpose of directing the
24 distribution of proceeds from the sale of oil, gas, casinghead gas

1 or other related hydrocarbons which warrants in writing the division
2 of interest and the name, address and tax identification number of
3 each interest owner with a provision requiring notice of change of
4 ownership. Any owner legally entitled to receive a distribution of
5 production proceeds may prepare and submit to the operator, the
6 first purchaser of the production or holder of proceeds a substitute
7 division order or transfer order which warrants in writing the
8 division of interest and the name, address and tax identification
9 number of each interest owner with a provision requiring notice of
10 change of ownership. A division order or transfer order is executed
11 to enable the first purchaser of the production or holder of
12 proceeds to make remittance of proceeds directly to the owners
13 legally entitled thereto and does not relieve the lessee of any
14 liabilities or obligations under the oil and gas lease. Terms of a
15 division order or transfer order which conflict with the terms of
16 any oil and gas lease are invalid, unless previously agreed to by
17 the affected parties. This subsection shall only apply to division
18 orders or transfer orders executed on or after July 1, 1989.

19 SECTION 3. This act shall become effective November 1, 2021.
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