

1 ENGROSSED HOUSE
2 BILL NO. 3394

By: Moore of the House

3 and

4 Howard of the Senate

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7 [oil and gas - renaming the Production Revenue
8 Standards Act - effective date]
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11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. AMENDATORY 52 O.S. 2021, Section 570.1, is
13 amended to read as follows:

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

17 SECTION 2. AMENDATORY 52 O.S. 2021, Section 570.11, is
18 amended to read as follows:

19 Section 570.11 A division order or transfer order is an
20 instrument prepared by the operator, the first purchaser of the
21 production or holder of proceeds for the purpose of directing the
22 distribution of proceeds from the sale of oil, gas, casinghead gas
23 or other related hydrocarbons which warrants in writing the division
24 of interest and the name, address and tax identification number of

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

18 SECTION 3. This act shall become effective November 1, 2022.
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1 Passed the House of Representatives the 21st day of March, 2022.

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3 _____
4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2022.

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9 Presiding Officer of the Senate