

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013

A Bill

HOUSE BILL 2198

4
5 By: Representative Gillam

For An Act To Be Entitled

8 AN ACT TO AMEND ARKANSAS LAW CONCERNING THE TIME AND
9 METHOD OF THE PAYMENT OF PROCEEDS OF SALES OF OIL AND
10 GAS PRODUCTION; AND FOR OTHER PURPOSES.

Subtitle

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14 TO AMEND ARKANSAS LAW CONCERNING THE TIME
15 AND METHOD OF THE PAYMENT OF PROCEEDS OF
16 SALES OF OIL AND GAS PRODUCTION.

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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Arkansas Code § 15-74-601(a) and (b), concerning the method
22 of payment for oil and gas sales, is amended to read as follows:

23 (a) The proceeds derived from the sale of oil or gas production from
24 any oil or gas well shall be paid to persons legally entitled thereto,
25 commencing no later than six (6) months after the date of first sale and
26 thereafter no later than sixty (60) days after the end of the calendar month
27 within which subsequent production is sold or as provided for under
28 subdivision (b)(2) of this section.

29 (b)(1) The payment of proceeds under subsection (a) of this section is
30 to be made to persons entitled thereto by the first purchasers of the
31 production.

32 (2) The payment may be made annually for the aggregate of up to
33 twelve (12) months of accumulation of proceeds if the aggregate amount owed
34 is at least ten dollars (\$10.00), but less than one hundred dollars (\$100) or
35 less one hundred fifty dollars (\$150), provided, upon written request by the
36 royalty owner, the payment shall be made when the aggregate amount exceeds



1 fifty dollars (\$50.00). Accumulated amounts of less than ten dollars
2 (\$10.00) may be held but shall be paid when production ceases or by the payor
3 of the payment upon relinquishing responsibility.

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5 SECTION 2. Arkansas Code § 15-74-601, concerning the method of payment
6 for oil and gas sales, is amended to add an additional subsection to read as
7 follows:

8 (g) Moneys paid by the payor under this section may be paid by either
9 check or any form of electronic funds transferred to the persons legally
10 entitled to the moneys under § 15-72-305.