

By: Senator D. Sanders

## **SENATE CONCURRENT RESOLUTION**

TO DIRECT THE SENATE COMMITTEE ON AGRICULTURE, FORESTRY, AND ECONOMIC DEVELOPMENT AND THE HOUSE COMMITTEE ON AGRICULTURE, FORESTRY, AND ECONOMIC DEVELOPMENT TO CONDUCT AN INTERIM STUDY TO EVALUATE THE CURRENT PROCEDURE FOR NATURAL GAS ROYALTY PAYMENTS AND TO RESEARCH POTENTIAL CHANGES TO IMPROVE ACCOUNTING PROCEDURES IN A MANNER THAT WOULD BENEFIT ROYALTY OWNERS AND WORKING INTEREST OWNERS.

### **Subtitle**

TO DIRECT CERTAIN COMMITTEES TO CONDUCT AN INTERIM STUDY TO EVALUATE THE CURRENT PROCEDURE FOR NATURAL GAS ROYALTY PAYMENTS AND TO RESEARCH POTENTIAL CHANGES TO IMPROVE ACCOUNTING PROCEDURES.

WHEREAS, there are now over four thousand (4,000) natural gas wells in the Fayetteville Shale; and

WHEREAS, the current state formula for payment of royalties is a blended method that can contribute to duplication of effort for producers and confusion to royalty owners; and

WHEREAS, the effectiveness, accuracy, transparency, and timeliness of the current royalty payment procedures should be evaluated, particularly in the Fayetteville Shale,

NOW THEREFORE



BE IT RESOLVED BY THE SENATE OF THE EIGHTY-NINTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

THAT the Senate and House committees on Agriculture, Forestry, and Economic Development shall conduct an Interim Study to evaluate the current procedure for natural gas royalty payments, specifically in the Fayetteville Shale, and to research potential changes that would improve accounting procedures to benefit royalty owners and working interest owners.