

As Introduced

**130th General Assembly
Regular Session
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H. B. No. 400

Representatives Carney, Cera

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To amend section 1509.30 of the Revised Code to 1
require the owner of an oil or gas well to provide 2
a royalty statement to the holder of the royalty 3
interest when the owner makes payment to the 4
holder. 5

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 1509.30 of the Revised Code be 6
amended to read as follows: 7

Sec. 1509.30. ~~The holder of a royalty interest in any natural 8
gas well may request the owner to report to him, no more 9
frequently than the payment period in his contract with the owner. 10~~

(A) When, pursuant to a lease, another agreement between an 11
owner and the holder of a royalty interest in an oil or gas well, 12
or an order by the division of oil and gas resources management, 13
payment is made to the holder of the royalty interest from the 14
proceeds derived from the sale of oil or gas, the owner shall 15
include all of the following information on the check stub, an 16
attachment to the payment form, or another remittance device: 17

(1) The lease, property, or well name, any lease, property, 18
or well identification number used to identify the lease, 19
property, or well, and the county and state in which the lease, 20

<u>property, or well is located;</u>	21
<u>(2) The month and year during which the sales occurred for which payment is being made;</u>	22 23
<u>(3) The volume of natural gas or number of barrels of oil for which he was or the holder is being paid for the most recent period in his contract with the owner, and for any other previous periods within two years of the date of production for which the owner has not already given him such a report;</u>	24 25 26 27 28
<u>(B)(4) The price per thousand cubic feet or per barrel of oil paid to the holder for such gas or oil;</u>	29 30
<u>(C)(5) The volume of natural gas which that was shown to have passed through the owner's meter for or the number of barrels of oil that were removed from the field containing the holder's well during the applicable payment period;</u>	31 32 33 34
<u>(6) The total amount of state severance and any other production taxes paid on the holder's interest during the applicable payment period;</u>	35 36 37
<u>(7) Any windfall profit tax paid on the holder's interest during the applicable payment period;</u>	38 39
<u>(8) Any other deductions from or adjustments on the holder's interest during the applicable payment period;</u>	40 41
<u>(9) The net value of total sales of oil and natural gas produced from the lease, property, or well after deductions during the applicable payment period;</u>	42 43 44
<u>(10) The holder's royalty interest in sales from the lease, property, or well during the applicable payment period expressed as a decimal;</u>	45 46 47
<u>(11) The holder's share of the total value of sales from the lease, property, or well before any tax deductions during the applicable payment period;</u>	48 49 50

(12) The holder's share of the value of sales from the lease, property, or well less the holder's share of taxes and deductions during the applicable payment period; 51
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(13) An address and telephone number at which additional information regarding the payment may be obtained and questions may be answered. 54
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(B) The volume of gas required to be reported by this section shall be indicated on the basis of a standard cubic foot of gas. The volume of oil required to be reported by this section shall be indicated on the basis of a standard barrel. 57
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(C) The owner shall preserve records of ~~such volume the~~ information required to be provided under division (A) of this section for at least two years after the date on which the ~~record~~ information is ~~made~~ provided. 61
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(D) If the owner does not provide the holder of the royalty interest with information required to be provided under division (A) of this section, the holder may submit a written request by certified mail to the owner that the information be provided. Upon receipt by the owner or ~~his~~ the owner's agent of a request by the holder pursuant to this ~~section~~ division, the owner shall supply the information to the holder by certified mail within ~~fifteen~~ thirty days, or the end of the current payment period in the contract, whichever is later. 65
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~~If the holder's well is metered, the owner shall in such report also inform the holder of the volume of natural gas which was shown to have passed through such meter during the period.~~ 74
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~~The volume of gas required to be reported by this section shall be indicated on the basis of a standard cubic foot of gas~~ 77
holder makes a written request and the owner does not provide the requested information within the applicable time period, the holder may bring a civil action against the owner to enforce this 78
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section. The prevailing party is entitled to recover reasonable 82
court costs and attorney's fees. 83

(E) As used in this section, "applicable payment period" 84
means the period specified by an owner under division (A)(2) of 85
this section. 86

Section 2. That existing section 1509.30 of the Revised Code 87
is hereby repealed. 88