

By: Estes

S.B. No. 402

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the information required to be provided by a payor of
3 proceeds from the sale of oil or gas from an oil or gas well to a
4 payee on the request by the payee.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 91.402, Natural Resources Code, is
7 amended by adding Subsection (d-1) to read as follows:

8 (d-1) A payee that receives a division order from a payor in
9 compliance with Subsection (c) may request that the payor provide
10 to the payee the formula used to calculate the payee's fractional or
11 decimal interest in production as stated in the division order, the
12 information used to determine the payee's fractional or decimal
13 interest in production, or the fractional or decimal interest in
14 production of each payee. If the payee's interest in production is
15 subject to a pooling or unitization agreement, the payor may comply
16 with this subsection by providing to the payee detailed information
17 regarding where in the real property records of the county in which
18 the well is located the pooling or unitization agreement that shows
19 the relevant fractional or decimal calculation formula is recorded.
20 The payor must provide the required formula, information, or
21 division of interest to the payee not later than the 21st day after
22 the date the payor receives the request.

23 SECTION 2. The change in law made by this Act applies only
24 to a division order issued on or after the effective date of this

1 Act. A division order issued before the effective date of this Act
2 is governed by the law in effect on the date the division order was
3 issued, and the former law is continued in effect for that purpose.

4 SECTION 3. This Act takes effect September 1, 2015.