

WEEKLY HIGHLIGHTS AT-A-GLANCE**FEDERAL – Legislative**

- **U.S. Congress Out of Session.** The U.S. House of Representatives and U.S. Senate were out of session last week. The House will be back in session on Tuesday, February 23. The Senate will be back in session today.

FEDERAL – Regulatory

- **Proposed Venting and Flaring Rules.** As a follow-up to our February 8 Weekly Report coverage, Holland and Knight has detailed how the Bureau of Land Management's (BLM) proposed methane emissions limitation rules would invariably restrict oil and gas development, most notably on tribal lands. [Read more.](#)
- **BLM Lease Sales – Colorado.** Land parcels within the San Juan National Forest will be made available for lease this spring for the first time in 15 years through the BLM's quarterly oil and gas lease sale. Since 2001, U.S. Forest Service officials have worked on an Oil and Gas Leasing Availability Analysis, completed in 2013, to protect resources and manage oil and gas development. The public has until March 14 to submit comments on the parcels for lease. [Read more.](#)
- **Land Pulled from BLM Lease Sale – New Mexico.** On February 19, the U.S. Forest Service [withdrew 31,169 acres of national forest lands](#) in Texas from the upcoming April 20 BLM oil and gas lease sale in Santa Fe, N.M. The move responds to concerns raised by environmental groups and local governments about impacts on those lands from production. [Read more.](#)
- **Town Council Protests BLM Sale – Texas.** Last Monday, the Flower Mound Town Council approved a resolution to protest the proposed sale by the BLM of minerals near the Lewisville Lake area for natural gas drilling. Among the reasons cited in the protest include the potential effect on Lewisville Lake and possible impact on Lewisville Lake dam. Nearby, Mayor Wilcox of [Highland Village is also protesting the lease sale.](#) The BLM could add a stipulation to the lease, defer the sale or remove the parcel from the sale. [Read more.](#)
- **BLM Lease Sale Rescheduled – Utah.** The BLM rescheduled a competitive oil and gas lease sale that was originally set for November 17, 2015, for February 16 at the Salt Palace Convention Center in Salt Lake City. Although the auction was met by "Keep It in the Ground" protestors, the [BLM's public lease sale continued](#), allowing industry to bid

on nearly 47,000 acres of publicly owned oil and gas rights in Utah. During the auction, some protestors who entered were disruptive and told to leave so bidding could continue. [Read more](#). **Side note:** An auction protestor bids successfully for land she has no intention of developing, facing possible criminal charges. [Read more](#).

- **BLM Lease Sale Parcel List – Utah.** The BLM’s Utah Color Country District Office today posted the list of parcels proposed for auction at its quarterly competitive oil and gas lease sale scheduled for May 17, in Salt Lake City. The list includes four proposed parcels covering approximately 6,743 acres in Sevier County. All four parcels are identified as available to oil and gas leasing under the current resource management plans for the Richfield Field Offices. [Read more](#).
- **BLM Lease Sale Rescheduled – Wyoming.** The BLM announced that the parcels originally scheduled to be offered at the postponed February 2016 sale will be offered during the May sale. The February sale was postponed due to a severe winter storm in Cheyenne, Wyoming. The February parcels, which are scheduled to be offered at the May sale, include 80 parcels totaling 77,385 acres. [Read more](#).
- **Public Lands; Resource Management Plan.** As a follow-up to our reporting in last week’s Governmental Affairs Weekly Report, the Wellborn legal blog has just published its take on the Resource Management Plan, *BLM Proposes “Planning 2.0” Rules*, which provides a detailed overview of the planning process, BLM’s stated goals, and how assessments are made. [Read more](#).

STATE – Regulatory

- **Drilling Permits – Michigan.** The Michigan Department of Environmental Quality (MDEQ) is seeking public input about whether a permit should be granted to Michigan-based Jordan Development Corporation, LLC to drill for oil and gas on Southfield land owned by the 14,000-member Word of Faith International Christian Center. Harold Fitch, Chief of the MDEQ’s Office of Oil, Gas and Minerals, said MDEQ has already received about 1800 comments, both for and against. [Read more](#).
- **Drilling Permits – Ohio.** Despite a judge’s March 2015 ruling that oil and gas firms can drill new wells in Broadview Heights, not one company has applied for a permit to drill here since that time, according to Ohio Department of Natural Resources records. Strong opposition by Broadview Heights residents, and falling gas and oil prices, have kept drillers away. In March 2015, Cuyahoga County Common Pleas Judge Michael Astrab sided with the oil companies, saying that state government, not municipalities, decides whether to allow gas wells, and how to regulate them. [Read more](#).
- **Inactive Well Rule Changes – North Dakota.** On February 16, the North Dakota Industrial Commission agreed to ease the rules for wells with marginal oil production

while oil prices remain extremely low. Low-producing wells would be allowed to remain on inactive status for up to one year under the action taken last week. The state has 1,183 inactive wells, about 370 more than normal, according to the Director of the Mineral Resources Department, Lynn Helms. [Read more.](#)

STATE – Legislative

- **Royalties; Mineral Rights – Colorado.** On February 2, Rep. Perry Buck (R) introduced HB 1181, which would require local governments that ban hydraulic fracturing of an oil and gas well to compensate the mineral interest owner for the value of lost royalties. [Read more.](#)
- **Permits; Spacing Units; Tracts – Idaho.** On February 11, the Senate Resources and Environment Committee introduced SB 1306. This bill streamlines the administrative permitting process for the oil and gas industry to expedite applications, and also provides that the Department of Lands shall have specified responsibilities associated with spacing units and unit operations, revises provisions regarding the integration of tracts and integration orders, provides for the confidentiality of certain information, and sets forth provisions and procedures associated with rulemaking, complaints, application for orders, petitions, and appeals. [Read more.](#)
- **Permits; Spacing Units; Tracts – Idaho.** On February 15, the Senate Resources and Environment Committee introduced SB 1339. This bill amends existing law regarding applications for permits or certain authorizations to drill or treat wells, and provides that the Department of Lands shall have specified responsibilities associated with spacing units and unit operations as well as integration of tracts. [Read more.](#)
- **Lease Value; Property Taxes – Kansas.** On February 12, the House Committee on Taxation introduced HB 2701, which establishes information used to evaluate the fair market value of producing oil and gas leases for the determination and appraisal of those interests for property tax assessment purposes. [Read more.](#)
- **Dormant Minerals Act – Maryland.** On February 15, Del. Wendell Beitzel (R) introduced HB 576, which clarifies that when an owner of a mineral interest takes a certain action for a mineral that is part of a mineral interest, the action constitutes use of the entire mineral interest owned by that owner under the Maryland Dormant Mineral Interests Act. [Read more.](#)
- **Permits; Public Hearing – Michigan.** On February 16, Rep. Sarah Roberts (D) introduced HB 5371, which would require that prior to issuing a permit or authorizing the use of an oil and gas well utilizing hydraulic fracturing, a public hearing must be held if a request is received from a city, village or township in which the well is located, or from a person whose water supply may be impacted. [Read more.](#)

- **Permits; Well Location – Michigan.** On February 18, Rep. Peter Lucido (R) introduced HB 5389, which would set certain conditions for proposed well permit approval in a county with a population of 750,000 or more, including a public hearing. [Read more.](#)
- **Mineral Estates; Nonproduction – Mississippi.** On February 8, HB 912 was introduced by Rep. Randy Boyd (R) and referred to the Judiciary Committee. The bill provides that mineral estates separated from the surface estate revert to the surface owner after 20 years of nonproduction. [Read more.](#)
- **Recordation; Mineral Rights – Mississippi.** On February 8, HB 636 was introduced by Rep. William Arnold (R) and referred to the Energy Committee. The bill provides that when a surface owner conducts a search of land records and determines that no deed or instrument of conveyance of mineral rights has been recorded over a 40 year period, the surface owner shall own those mineral rights. [Read more.](#)
- **Rights of Way; Eminent Domain – Mississippi.** On February 8, SB 2421 was introduced by Sen. Angela Hill (R) and referred to the Energy, Accountability, Efficiency, and Transparency Committee. The bill provides that the county authority may acquire by eminent domain property necessary for any water, wastewater or storm water systems but that no person owning the drilling rights or the right to share in production shall be prevented from exploring, developing or producing oil or gas with necessary rights-of-way for ingress and egress, pipelines and other means of transporting such interests on any lands or interest of the county authority. [Read more.](#)
- **Ad Valorem Taxes; Severance Taxes; Reversion of Interests – Mississippi.** On February 8, HB 905 was introduced by Rep. Randy Boyd (R) and referred to the Energy Committee. The bill provides that severance taxes shall be paid by the mineral interest owner and provides exemptions for ad valorem taxes as to surface owners as well as conditions under which mineral interests revert to surface owners. [Read more.](#) A similar Democratic bill, HB 1537, was also introduced by Rep. Blaine Eaton (D) the same day. [Read more.](#)
- **Abandoned Minerals – South Dakota.** (Update to 2/8/16 Weekly Report) [HB 1058](#), introduced by Rep. Timothy Johns (R) in January and subsequently passed the Senate on February 4, and which amends the procedure for recovery of abandoned mineral interests, was signed into law by Governor Daugaard on February 16. [Read more.](#)
- **Severance Tax – Utah.** On January 29, SB 17, introduced by Sen. Kevin T. Van Tassell (R), was reported out of Senate committee for debate, and on February 12 considered for amendments and a floor vote. The bill would amend the current oil and gas severance tax by clarifying the formula under which the tax is calculated. [Read more.](#)

- **Public Land Management – Utah.** On February 10, HB 276, the Utah Public Land Management Act, introduced by Rep. Michael Noel (R), was referred to the House Natural Resources, Agriculture, and Environment Committee. The bill establishes duties for the director of the Department of Natural Resources, establishes the Public Land Management Fund, establishes a procedure to issue a right-of-way or use authorization on public land, and creates the Division of Land Management within the Department of Natural Resources containing oil and gas divisions. [Read more.](#)
- **Unauthorized Practice of Law – West Virginia.** On February 2, HB 4360 was introduced by House Delegate Steve Shaffer (D) and referred to the Judiciary Committee for consideration. The bill would increase the criminal penalty for the unlawful practice of law, raising fines from the current \$1,000 up to \$10,000 and provides for possible incarceration of up to one year. [Read more.](#)
- **State Leases; Royalties – West Virginia.** HB 2977, a carryover bill from 2015, has been reintroduced and as of February 17 being considered by the House Finance Committee. The bill provides that rents and royalties from leases of the minerals under the state’s rivers and streams shall be expended for road paving and maintenance. [Read more.](#)
- **Nuisance Actions; Property Rights – West Virginia.** SB 508, introduced by Sen. Ryan Ferns (R), and referred to the Judiciary Committee on February 4, [may ease restrictions on the oil and gas industry](#) by providing greater protections to businesses from private nuisance lawsuits so long as the business does not violate a law, regulation or the terms of their license or permit. [Read more.](#)
- **Access Road and Well Pad Construction Permits – West Virginia.** SB 565, introduced by Sen. Greg Boso (R) on February 10 and referred to the Energy, Industry and Mining Committee, would [ease restrictions on horizontal well permitting](#) by allowing oil and gas production companies to begin building well pads and access roads prior to getting a well work permit approved by the state Department of Environmental Protection. Construction on roads and pads could begin with only a storm water permit, and without an engineering review of the construction activity. [Read more.](#)
- **Unlocatable Interest Owners – West Virginia.** On February 16, House Delegate Lynwood Ireland (R) introduced HB 4550, which provides that proceeds of partition of any interest in real property that includes oil and gas but not surface that are due to a person whose name or location are unknown and are unclaimed for five years are to be paid to the Oil and Gas Reclamation Fund. [Read more.](#)
- **Mineral Interest Owners – West Virginia.** On February 20, HB 4639 was introduced by House Delegate Lynwood Ireland (R), reported out of the Energy Committee, and was referred to the Judiciary Committee on February 22. The bill would establish a method for the simple majority of mineral interest owners in a tract to develop their interests

without committing waste or committing a trespass and sets forth accrual and disbursement requirements to minority owners. [Read more.](#)

- **Mineral Interest Owners – West Virginia.** On February 20, SB 646 was introduced by Sen. Mitch Carmichael (R) and referred to the Judiciary Committee. The bill would provide that consent to a lawful use of mineral property by a majority of cotenants is not waste and does not constitute a trespass and provides that a cotenant is not liable for damages as a result of the lawful use of mineral property consented to by a majority of the ownership interest when an accounting is provided and a pro rata share of revenues and costs are distributed to or reserved for each cotenant. [Read more.](#)

INDUSTRY NEWS FLASH:

◆ U.S. Supreme Court Justice Antonin Scalia, who passed away on February 13, was not only the leading conservative voice on the court, but also had a monumental impact on environmental law. His opinions [sculpted fundamental aspects of environmental law](#), setting key precedents that continue to be loudly criticized by green groups. With his sharply worded opinions and dissents, Scalia led the court's conservative wing on limiting environmental groups' ability to bring lawsuits, standing up for property rights in the face of regulation, and the defining the scope of federal water regulation. Scalia was also deeply interested in administrative law, which was one of the reasons he was prolific on environmental and property rights cases. Scalia's arguably most enduring and important opinions severely limited the ability of environmental groups to bring lawsuits challenging federal regulations and other actions. [Read more.](#)

◆ The prospect of President Obama tapping Circuit Court Judge Sri Srinivasan – who as an attorney represented various energy companies – to fill the U.S. Supreme Court vacancy left by Justice Scalia's death is ruffling some feathers among environmentalists. Srinivasan, currently a United States Circuit Judge of the United States Court of Appeals for the D.C. Circuit, has emerged as an early favorite given Srinivasan's sterling educational and professional credentials. But his work as an attorney representing Enron's former CEO and ExxonMobil is raising hackles among some eco-activists. [Read more.](#)

◆ On February 16, Saudi Arabia and Russia agreed to freeze oil output at near-record levels, the first coordinated move by the world's two largest producers to counter a slump that has pummeled economies, markets and companies. On February 17, [Iran voiced its support](#) for the Russia-Saudi-led move to freeze production to deal with the market glut that had pressured crude prices to their lowest level in years. The freeze marks the first significant cooperation between OPEC and non-OPEC producers in 15 years and Saudi Arabia said it's open to further action. The deal to fix production at January levels is the "beginning of a process" that could require "other steps to stabilize and improve the market," says Saudi Oil Minister Ali Al-Naimi. [Read more.](#)

◆ Last week, the iconic W.T. Waggoner Ranch, listed at \$725 million, was sold to Stan Kroenke, the billionaire owner of the NFL's Los Angeles Rams. Dating back to the mid-1800s, the Waggoner Ranch is the largest ranch under one fence in the U.S., spanning six counties in and around Vernon, Texas. The 167-year-old working Texas ranch includes thousands of cattle, hundreds of horses and oil wells, and 30,000 acres of farmland. The Waggoner Ranch has seen both major and independent oil companies drill and produce more than 200 million barrels of oil from the sandstone and carbonate reservoirs under its properties. [The active leases on the ranch continue to produce 40,000 to 50,000 barrels of oil](#) each month. Waggoner Ranch was placed on the market after years of legal proceedings between the heirs of cattle and oil baron W.T. Waggoner over whether the ranch should be sold. [Read more.](#)

PRACTICE TIPS: This week, we offer our readers useful information on joint operating agreement disputes and many recent cases interpreting Ohio's Dormant Mineral Act.

- Dealing with disputes over joint operating agreements (Texas Lawyer; 2/12/16): [Read more.](#)
- With a multitude of Ohio cases interpreting the state's Dormant Mineral Act, the law firm, Porter Wright, provides a comprehensive update on cases that have been decided and on those still pending before the Ohio Supreme Court. [Read more.](#)

ELECTION ALERT:

⊕ With few differences over issues in Pennsylvania's U.S. Senate Democratic primary race, jousting over natural gas drilling is providing an opening for candidates. It began in recent days among three Democrats seeking to challenge Republican incumbent Pat Toomey, with candidates calling for either limits on hydraulic fracturing or increased regulation of natural gas production. [Read more.](#)

⊕ Last Friday, The League of Conservation Voters launched a \$370,000 ad campaign taking aim at a quartet of U.S. Republican senators who rejected a proposal to phase out oil and gas industry tax breaks earlier this month and offering praise to a trio of Democratic lawmakers who supported it. [Read more.](#)

⊕ The latest 2016 presidential cycle figures regarding oil and gas industry campaign contributions have been released by the Center for Responsive Politics. As of year-end 2015, Texas Senator Ted Cruz leads the pack in direct contributions from oil and gas company employees with \$675,000. Jeb Bush was second with \$420,600, and Hillary Clinton was third with \$227,000, which some find surprising due to her environmentalist positions. [Read more.](#)

State-by-State Legislative Session Overview

Louisiana lawmakers began a special session on the budget on February 14. On the opening day of the session, Democratic Gov. John Bel Edwards implored the legislature to avoid partisan gridlock in an effort to address the state's perpetual budget troubles. This year, those troubles have culminated in a budget gap of between \$850 and \$950 million. The \$25 billion budget must be rebalanced by June 30, either with additional money or cuts. Governor Edwards wants to use \$128 million of the state's "rainy day" fund and redirect \$200 million in Gulf oil spill recovery money earmarked for a lawsuit settlement. Edwards is also recommending \$158 million in cuts and a wide array of tax increase proposals, [Deseret News](#) reports. The 25-day special session must conclude before March 9, only a few days before the legislature is expected to convene its 2016 legislative session. The pre-filing deadline for the [regular session is March 4](#) for all bills other than retirement bills or constitutional amendments.

Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming are in regular session. The **District of Columbia** and the **U.S. Congress** are also in regular session.

The following states are expected to convene their 2016 legislative sessions on the dates provided: **Minnesota** (March 8) and **Louisiana** (March 14).

Louisiana convened a special session to address the state's budget on February 14. **North Carolina** is currently meeting in a special session on redistricting.

The following states are expected to adjourn their 2016 legislative sessions on the dates provided: **Wyoming** (March 4) and **Oregon** (March 5).

New Mexico adjourned its 2016 legislative session on February 18. **New Mexico** Republican Gov. Susana Martinez has until March 9 to act any legislation presented to her after February 15 or it is pocket vetoed.

The following states are currently holding interim committee hearings: **Arkansas, Minnesota, Montana, Nevada** and **North Dakota**.

Franchise Tax

Tennessee [HB 1480](#), which was scheduled to be considered in the House Government Operations Committee on February 16, was deferred to a hearing in the same committee on March 1. The bill would exempt certain taxpayers from all or part of their franchise and excise tax liability for their first and second tax years in existence if the taxpayers meet certain employment and gross receipts requirements. The bill would take effect on July 1, 2016 and would automatically expire on July 1, 2021. Companion bill [SB 2366](#), sponsored by Sen. Bo

Watson, R-Hixson, has been pending in the Senate Revenue Subcommittee of the Senate Finance, Ways and Means Committee since February 2.

Landmen

Wisconsin [AB 456](#) was concurred in by the Senate, as amended by Assembly Amendments [1](#) and [3](#), on February 16 and was returned to the Assembly. The bill would generally amend current law regulating the practice and licensure of real estate brokers and real estate salespersons. It would create provisions addressing independent real estate practice by brokers, which is not addressed under current law. Under these provisions, a broker who is associated with a firm would also be authorized to engage in independent real estate practice, as specified. The bill would also define an “employee” for the purposes of these provisions to specify that a licensee would not be considered an employee of a firm if:

- A written agreement has been entered into with the firm that provides that the licensee may not be treated as an employee for federal and state tax purposes.
- 75 percent or more of the annual compensation related to sales or output paid by the firm to the licensee pursuant to the agreement is directly related to the brokerage services performed by the licensee on behalf of the firm.

The majority of the bill would take effect on July 1, 2016 or on the day after publication by the Legislative Reference Bureau, whichever is later. AB 456 is significantly similar to [SB 375](#), which was reported passed as amended by the Senate Insurance, Housing and Trade Committee with [Senate Amendment 1](#) and [Senate Amendment 2](#) on February 2 and is awaiting scheduling.

Oil and Gas

General Oil and Gas

California [AB 1882](#), relating to groundwater monitoring, was introduced on February 11 by Asm. Das Williams, D-Santa Barbara, chair of the Assembly Natural Resources Committee. The bill is awaiting committee referral. It would allow the State Water Resources Control Board and regional water quality control boards to review, comment on, and propose additional requirements for Class II underground injection well projects starting January 1, 2017. The Oil, Gas, and Geothermal Division would not be able to approve a new project suggested by the review without written concurrence from the state or regional board that the injection of fluids would not affect the quality of water.

Kentucky [SB 188](#) was introduced on February 16 and referred to the Senate Natural Resources Committee. It is sponsored by Sen. Jay Carpenter, R-Berea, Chair of the Senate Natural Resources Committee. The bill would require a permit for drilling a stratigraphic test well, which is defined as “an exploratory borehole drilled for the sole purpose of acquiring subsurface geological and structure test data.”

Michigan [SB 600](#) passed the Senate 33-5 on February 16 and was sent to the House, where it was referred to the House Local Government Committee. The bill would clarify the fee for recording and indexing a statement claiming a lien for labor on an oil or gas well. If enacted, the bill would take effect 90 days after final passage and approval. The Senate committee's summary and fiscal analysis is available [here](#).

West Virginia [SB 396](#) passed the Senate Energy, Industry and Mining Committee on February 11 and is now pending in the Senate Judiciary Committee. Co-sponsor Sen. Greg Boso, R-Summersville, is the chair of the Senate Judiciary Committee, and co-sponsor Sen. Douglas Facemire, D-Sutton, is also a member of that committee. The bill would require oil and gas wells that are otherwise capable of producing at least 1,000 cubic feet of natural gas per day to be shut-in, as defined, when the well cannot be economically produced. A well shut-in under this provision would not be considered a nonproducing or abandoned well and would not have to be plugged, as required under current law. If a consumer who is legally entitled to receive natural gas and who actually consumes natural gas from a well shut-in under these provisions becomes unable to receive sufficient natural gas supply because of the shut-in, the consumer would be entitled to demand that the well be placed in production to the extent necessary to supply the consumer with natural gas or to the normal operating flow of the well, whichever is less. The bill would take effect 90 days after passage.

Wisconsin [AB 547](#) passed the Senate 20-12 on February 9 and the Assembly concurred with the bill on February 10. It is awaiting enrollment and delivery to Republican Gov. Scott Walker. The bill would increase the criminal penalty for intentionally damaging property if the property is owned, lease, or operated by an energy provider and the person perpetrating the damage caused or intended to cause a substantial interruption of the energy provider's goods or services. It would also increase the criminal penalty for entering a property that is part of an energy plant or electric generation, distribution or transmission system or part of a natural gas distribution system without lawful authority or the consent of the energy provider that owns, operates or leases the property. If enacted, the bill would take effect one day after publication by the Legislative Reference Bureau. The bill is similar to [SB 457](#) as amended by [Senate Amendment 1](#), which is still pending in the Senate.

Wyoming [SF 28](#) unanimously passed the Senate on February 12 and was referred to the House Minerals, Business and Economic Development Committee. As passed the Senate, the bill would transfer the regulation of a geologic sequestration facility and site to the Department of Environmental Quality if an oil and gas operator converts to geologic sequestration after ending recovery operations or injects carbon dioxide for long-term storage. If the operator does not want to convert to geologic sequestration, the wells would have to be plugged and abandoned. The Wyoming Oil and Gas Commission supervisor would determine whether the operation is injecting carbon dioxide that would risk the drinking water supply. The operator could request a hearing before the commission within 15 days of receiving notice of the supervisor's findings.

Royalty Payments

West Virginia [HB 4500](#) was introduced on February 11 and referred to the House Energy and Finance committees. It is sponsored by Del. Lynwood Ireland, R-Pullman, chair of the House

Energy Committee. The bill would establish the “Oil and Gas Royalty Payment and Transparency Act of 2016,” to ensure transparency in determining the amount paid to a royalty owner. It would require a quarterly report to be filed with the Office of Oil and Gas and made public on their website. If a gas lease does not include a one-eighth metered royalty escalation it would have to include it once the original state is altered by new drilling, deeper drilling, redrilling, artificial well stimulation, hydraulic fracking or any other procedure to increase production.

The bill would also require the following to be included on a royalty check stub:

- The lease name or number and the county where it is located.
- Month and year of gas production.
- Total barrels of crude oil or number of Mcf of gas or volume of natural gas liquids sold.
- Price received per barrel, Mcf or gallon.
- Total amount of severance and other production taxes and other deductions permitted under the lease.
- Net value of total sales from the property without the taxes and deductions from the royalty escalation.
- Interest owner’s interest, expressed as a decimal or fraction, in production.
- Interest owner’s share of the total value of sales prior to deduction of taxes and royalty escalation.
- Interest owner’s share of the sales value without the interest owner’s share of taxes and deductions from the royalty escalation.
- Contact information including address and phone number.

Royalty payments would have to be made within 30 days from the date that a financial gain is realized from the oil and gas production.