

2012 Kansas Statutes

55-1622. Oil and gas payments to interest owners; specific listing of information; when. (a) Upon written request by the owner of a royalty interest in oil or gas production, submitted to the payor by certified mail, the payor shall provide to the royalty owner in writing any of the following information which has been specifically requested:

(1) Each lease, property or well identification number used by the payor for royalty payment purposes and corresponding lease, property or well identification number(s) used for identification by the department of revenue, state corporation commission or American petroleum institute (API).

(2) Each lease, property or well name and its corresponding section, township, range and county.

(3) The field name or producing formation.

(4) For a given sales period for which payment has been received or is due the royalty owner, the total produced volume as reported for each well, lease or unit to the state corporation commission and department of revenue.

(5) A specific listing of the amount and purpose of any other deductions or adjustments from the royalty owner's share of the sale of oil and gas not identified on the payment statement.

(6) Whether any payments reported on payor's statement are from a split-stream sale and, if so, the manner in which the payor accounts to the royalty owner for such sale. As used in this paragraph, "split-stream sale" means a sale for which the payment from a payor to the royalty owner is for the sale of less than all of the oil and gas produced and sold from the lease or well for the sales period.

(7) Whether the sale of any of the production for which payment is made by payor has been made to an affiliate of the payor. As used in this paragraph, "affiliate" means any entity which, directly or indirectly, controls or is controlled by, or is under common control with, the payor.

(b) Any request made by a royalty owner pursuant to this section shall be made in writing, specifying the information desired and the sales period or periods for which information is needed, and shall be made by certified mail. The payor shall respond to such a request by certified mail not later than the 60th day after the date the request is received. A payor shall not be required by virtue of this section to: (1) Provide any information pursuant to a request made on behalf of multiple royalty owners; (2) provide any information for sales periods prior to the 12-month period immediately preceding the first day of the month in which the request is received, except that, if adjustments to a royalty owner's payment have been made within such 12-month period for sales periods prior to such 12-month period, information concerning such adjustments shall be provided; and (3) seek information from other payors or third parties.

(c) If a payor does not have any of the information requested by a royalty owner pursuant to subsection (a), the payor shall provide to the royalty owner the name and address of the seller of the production for which the royalty owner is being paid by payor. A royalty owner thereafter may request from the seller the information not provided by the payor and the seller shall respond to the royalty owner in the same manner as provided for in this section. As used in this subsection, "seller" means the lessee of the oil and gas lease from which a royalty owner derives its royalty interest or the operator of the oil and gas production unit which produced the oil and gas for which payment is being made.

History: L. 1997, ch. 136, § 3; L. 2006, ch. 10, § 1; July 1.