

R850-5-300. Royalties (8/1/1994) (1/1/1995) (6/21/2007) (8/1/2018)

1. Royalty Reports and Reporting Periods

(a) All royalty payments shall be made payable to the School and Institutional Trust Lands Administration and shall be accompanied by a royalty report on a form specified by the agency. Failure to provide such a report may, after proper notification, subject the lease to cancellation. Check stubs or other report forms are unacceptable and do not satisfy the reporting requirement of this section.

(b) Any report submitted to the agency which includes entries such as those described below, may not be accepted by the agency and may be returned.

i) Any report submitted 24 months after the royalty due date.

ii) Amendments to prior report periods creating a net adjustment of less than \$10.

iii) Any oil and gas royalty report line of original entry submitted after the first 180 days following the month of first production with a volume entry of zero which is subsequently amended with the actual volume.

2. Interest on Delinquent Royalties

Interest shall be based on the prime rate of interest at the beginning of each month as approved by the Director and documented in the agency's Director's Actions, plus 4%.