

EXHIBIT 12
DATE 1-10-05
HB 43

Dale L. Williams
H.C. Box 48A
Chinook, Mt. 59523
January 7, 2005

Federal Relations, Energy, and Telecommunications Committee

Mr. Chairman and Committee members;

I am here today to ask that you vote in favor of HB43, a bill to require that gas producers itemize charges assessed to the owner of a natural gas royalty; and increase the criminal penalty for improper recording or reporting; amending section 82-10-104, MCA; and providing an effective date.

I am here as a land and mineral owner and also as a member and director on the board of the Montana Land and Mineral Association.

As most of our mineral leases are written, the price is paid for gas measured at the mouth of the well, without deduction for cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting and otherwise making the oil or gas ready for sale.

As one who receives a royalty payment, the check stubs have always seemed rather vague as to what is deducted.

Thank you for your time and consideration,

Dale L. Williams

