

allowed by the court and adjudge and allow costs to said defendant to be recovered from the said unsuccessful plaintiff or plaintiffs in said action, as provided for by law in actions generally in said court.

**History:** En. Sec. 1, Ch. 78, L. 1943; R.C.M. 1947, 60-501.

**Cross-References**

Allowable costs, Title 25, ch. 10, part 2.

Joinder of claims, Rule 18, M.R.Civ.P. (see Title 25, ch. 20).

Joinder of parties, Rules 19 and 20, M.R.Civ.P. (see Title 25, ch. 20).

**82-10-102. Remedy not exclusive.** The remedy provided for in 82-10-101 is in the nature of a special remedy additional to and not a substitute for other remedies given by law to owners of royalties in lands of the character specified, and all acts or parts of acts in conflict with the provisions of 82-10-101 shall not apply in actions authorized and provided for by that section.

**History:** En. Sec. 2, Ch. 78, L. 1943; R.C.M. 1947, 60-502; amd. Sec. 2, Ch. 500, L. 1983; amd. Sec. 3, Ch. 582, L. 1983.

**82-10-103. Obligation to pay royalties as essence of contract — interest.** (1) The obligation arising under an oil and gas lease to pay oil or gas royalties to the royalty owner or his assignee, to deliver oil or gas to a purchaser to the credit of such royalty owner or his assignee, or to pay a portion of the proceeds of the sale of such oil or gas to the royalty owner or his assignee is of the essence in the lease contract.

(2) If the operator under an oil and gas lease fails to pay oil or gas royalties to the royalty owner or his assignee within 120 days after the initial oil or gas produced under the lease is marketed and within 60 days for all oil and 90 days for all gas produced and marketed thereafter, the unpaid royalties will bear interest, at the maximum rate of interest authorized under 31-1-107 from the date due until paid. The operator may remit semiannually to a person entitled to royalties the aggregate of 6 months' royalties whenever the aggregate amount is less than \$50 and annually whenever the aggregate amount is less than \$10.

(3) A royalty owner seeking a remedy for failure to make payments under the lease or seeking such payments under this section shall bring his action in the district court for the county in which the oil or gas well is located, and that court has jurisdiction over any such actions brought under this section. The prevailing party in any proceeding brought under this section is entitled to recover his court costs and reasonable attorney fees.

(4) This section does not apply if a royalty owner or his assignee has elected to take his proportionate share of production in kind or whenever there is a dispute as to the title of the minerals or entitlement to royalties, the outcome of which would affect distribution of royalty payments.

**History:** En. Sec. 1, Ch. 500, L. 1983; amd. Sec. 1, Ch. 118, L. 1985.

**Cross-References**

Allowable costs, Title 25, ch. 10, part 2.

**82-10-104. Payment of royalties — form of record required.** (1) An oil and gas producer paying royalties by check, draft, or order shall include with every such payment a form showing the following matters relating to that payment:

- (a) the name of the royalty owner to whom the payment is made;
- (b) the date of the check, draft, or order;
- (c) any royalty owner identification number used by the producer for such royalty owner;
- (d) the month and year during which production occurred for which payment is being made;
- (e) any number used to identify the lease under which production occurred;
- (f) the type of product produced;
- (g) barrels of oil and/or cubic feet of gas for which payment is made;
- (h) the amount and type of all taxes withheld;
- (i) the net value of production; and
- (j) the royalty owner's net value.

(2) Any person purposely and knowingly violating the provisions of subsection (1) is guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than \$1,000.

**History:** En. Sec. 1, Ch. 582, L. 1983.

**Cross-References**

Actions arising from seizure or sale of property for taxes, 27-2-210.