

**353.650 Exclusion of royalty interest in computing share of production --  
Limitation.**

- (1) If one (1) or more of the owners of any operating interest in any portion of the pooled tract shall drill, deepen or reopen and operate, or pay the costs of drilling, deepening or reopening and operating a well for the benefit of another owner of an opening interest, as provided in the pooling order, then such owner or owners shall be entitled to the proceeds from the share of production from the tracts or portions thereof pooled accruing to the interest of such other owner, exclusive of any royalty reserved in any lease or leases of such tracts or portions thereof or exclusive of one-eighth (1/8) of production attributable to all unleased tracts or portions thereof, until such proceeds equal the sums payable by or charged to the interest of the other owner plus a reasonable charge for interest on such sums.
- (2) If a dispute shall arise as to the costs of drilling, deepening or reopening, and operating a well, the director of the Division of Oil and Gas shall determine and apportion the costs.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 24, sec. 1910, effective July 15, 2010. -- Created 1960 Ky. Acts ch. 103, sec. 17, effective June 16, 1960.