

MINUTES OF THE HOUSE COMMITTEE ON UTILITIES.

The meeting was called to order by Chairman Carl D. Holmes at 9:05 a.m. on March 16, 2004 in Room 231-N of the Capitol.

All members were present except: Representative Nile Dillmore
Representative Judy Morrison

Committee staff present: Mary Galligan, Legislative Research
Dennis Hodgins, Legislative Research
Mary Torrence, Revisor of Statutes
Jo Cook, Administrative Assistant

Conferees appearing before the committee: W. C. Long
Tom Day, Kansas Corporation Commission
Doug Smith, Southwest Kansas Royalty Owners Association

Others attending: See Attached List

HB 2907 - Providing for unit operations of oil and gas pools upon written agreement of 90% of working interest owners and royalty owners

Chairman Holmes opened the hearing on **HB 2907**.

Mr. W. C. Long, a manager and producer of oil leases in Barber County, testified before the committee in support of **HB 2907 (Attachment 1)**. Mr. Long had requested the introduction of the bill to address concerns about the percentage of royalty owners and working interest owners agreeing to a project without a potentially costly application, hearing and determination by the Corporation Commission.

Tom Day, Legislative Liaison for the Kansas Corporation Commission, addressed the committee on behalf of John McCannon, Assistant General Counsel, in opposition to **HB 2907 (Attachment 2)**. Mr. Day stated that Commission Staff believes there are serious due process and takings concerns with the bill as it would allow forcing up to a 10% interest into a unit without notice and the opportunity for a hearing.

Doug Smith, appearing on behalf of the Southwest Kansas Royalty Owners Association, gave testimony submitted by Erick Nordling, Executive Secretary, in opposition to **HB 2907 (Attachment 3)**. Mr. Smith shared concerns about forcing royalty owners into a unitization they didn't want.

Mr. Long, Mr. Day, and Mr. Smith responded to questions from the committee.

Chairman Holmes closed the hearing on **HB2907**.

Chairman Holmes announced that the committee would convene on Thursday, March 18 to work **HB 2907**.

The meeting adjourned at 9:37 a.m.