

HOUSE BILL No. 2727

By Committee on Water and Environment 2-8

1 AN ACT concerning real estate; requiring conditions relating to real estate  
2 sales contracts; relating to notification and disclosure of mineral  
3 interests.

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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. (a) Each contract for the sale of real property shall contain  
7 the following language:

8 "NOTICE: The surface estate of the property may be owned separately  
9 from the underlying mineral estate and transfer of the surface estate may  
10 not include transfer of the mineral estate. Third parties may own or lease  
11 interests in oil, gas or other minerals under the surface, and they may enter  
12 and use the surface estate to access the mineral estate.

13 The use of the surface estate to access the mineral estate may be  
14 governed by, but is not limited to, a deed, **oil and gas** lease, right-of-way agreement,  
15 surface agreement, letter agreement, memorandum or other notice that  
16 may be recorded with the register of deeds or the state corporation  
17 commission. Buyer is advised to consult independent legal advice.

18 The oil and gas activity that may occur on or adjacent to this property  
19 may include, but is not limited to: Surveying operations; drilling  
20 operations; construction of facilities used for the production, treatment,  
21 storage or transportation of oil or gas, such as oil wells, gas wells or

22 saltwater disposal wells; reworking operations on current wells or  
23 enhanced recovery wells; burying of oil and gas production pipelines or  
24 electrical lines; and installation of above ground electric lines or gas  
25 gathering and processing facilities. **Minerals are defined to include, oil,  
natural gas, iron ore, coal, salt, sand, gravel or any other natural  
substance which may be of commercial value and is obtained by  
mining, quarrying or drilling on the surface or subsurface of the lands.**

26 The buyer is encouraged to read the title commitment and final title  
27 insurance policy and seek additional information regarding oil and gas

28 activity **mineral ownership and mining, quarrying or drilling activity** on or  
adjacent to this property. that may include, but is not limited  
29 to, any approved oil and gas operations permits and applications  
for 30 permits including any applications to drill an oil and gas well.

This

31 information may be available from the state corporation commissio-n.

32 Buyer is encouraged to consult independent legal advice."