

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Stan Clark at 9:30 a.m. on February 12, 2004 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Bruce Kinzie, Revisor of Statutes
Raney Gilliland, Legislative Research
Ann McMorris, Secretary

Conferees appearing before the committee:

Senator Stan Clark
David Bleakley, Attorney, Eastern Kansas Oil & Gas Co.
David Nickel, Attorney, KIOGA

Others attending:

See Attached List.

Moved by Senator Brownlee, seconded by Senator Tyson, amend **SB 331** by adding new Section 2 basically patterned after the South Dakota law (Attachment 1). After considerable discussion on the language on compensation in New Sec. 2 (a)(4), consensus the language in (4) be deleted and a clause be added in (3) regarding the exclusion of any compensation. Motion carried. (Attachment 2)

Chairman Clark provided historical background on filing of mineral & royalty leases in various Western Kansas counties and the clouding of titles this has created. He provided documentation on the activities of Cobra Petroleum filing titles with improper legal descriptions on mineral and royalty deeds in his district. In several occurrences a deed was filed on the complete section of land and the grantor only owned an interest in an 80 acre tract within that section. In other instances, mortgages and oil leases were filed on land where the grantor had no ownership in the property. (Attachment 3)

David Nickel, attorney, appeared in behalf of Kansas Independent Oil and Gas Association KIOGA regarding the amendments to **SB 331**. (Attachment 4) He offered his assistance in working out a solution and Chairman Clark assigned this task to Senator Pugh, Doug Smith and David Nickel and asked for a report to the committee on Monday, February 16.

David Bleakley, representing Eastern Kansas Oil and Gas, spoke on his experiences in handling of leases and felt Cobra should be approached to provide corrections in their leases.

The next meeting of the Senate Utilities Committee will be on February 16, 2004.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

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