

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Stan Clark at 9:30 a.m. on March 11, 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:

Erick Nordling, Exec. Secretary, SWKROA
John Crump, Pres. Board of Directors SWKROA
Jim & Claudia Glass, Hutchinson
Joe Larrabee, Liberal
Ken Peterson, Kansas Petroleum Council
Alan DeGood, President, KIOGA
Ed Cross, KIOGA
David Bleakley, Eastern Kansas Oil & Gas Association

Others attending:

See Attached List.

Chairman Clark opened the hearing on

SB 401 - Oil and gas, information required with payment, penalties

Proponents:

Erick Nordling, executive secretary, Southwest Kansas Royalty Owners Association, enumerated various differences in the current legislation that need to be corrected. ([Attachment 1](#))

John Crump, president, Board of Directors, Southwest Kansas Royalty Owners Association, urged passage of SB 401 to insure that royalty owners are correctly paid for gas taken from the Hugoton field. ([Attachment 2](#))

Jim Glass, Hutchinson, presented the problems they had encountered in owning two wells which each have two operators whose reports differ in production. ([Attachment 3](#))

Bob Larrabee, Liberal, reported on the findings when his father, Robert Larrabee, compared his royalty statements with the MCF reported to the county by the gas company. ([Attachment 4](#))

Ken Peterson, Kansas Petroleum Council, reported after meeting with interested parties to seek an agreement, a compromise bill in the form of Substitute to **SB 401** was prepared and he presented the revised language to the Senate Utilities Committee for their consideration. ([Attachment 5](#))

Opponents:

Alan DeGood, president of Kansas Independent Oil and Gas Association (KIOGA), urged the committee to not pass **SB 401** and support the current legislation as agreed upon by all parties in 1997. ([Attachment 6](#))

David Bleakley, legislative chairman, Eastern Kansas Oil and Gas Association (EKOGA) presented several questions the committee should consider in determining the merits of **SB 401** and feels that the current statutes are very adequate to serve all the interest owners need for information provided with the sale of oil or gas and options to appeal. ([Attachment 7](#))

Ed Cross, executive vice president, Kansas Independent Oil and Gas Association (KIOGA), presented

CONTINUATION SHEET

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several reasons why **SB 401** would cause much hardship for the independent oil and gas industry and urged the committee to not pass this legislation and support the current legislation as agreed upon by all parties in 1997. (Attachment 8)

Chairman questioned when a comparison of the information submitted to Kansas Geological Survey and Kansas Corporation Commission on this issue would be available.

Due to shortness of time, no further discussion was held.

The next meeting of the Senate Utilities Committee is scheduled for March 15.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 8