



# SWKROA

Southwest Kansas Royalty Owners Association

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Testimony before the House Committee on Water and Environment  
**HB 2727** – Real estate contracts – notification of mineral interests

February 15, 2018

Chairman Tom Sloan and Members of the Committee:

My name is Erick Nordling. I am from Hugoton and serve as the Executive Secretary of SWKROA. I also am an attorney with the law firm of Kramer, Nordling, and Nordling, LLC. In my law practice, and as Secretary for the Association, I regularly advise mineral and royalty interest owners, as well as surface owners and farm tenants, regarding issues relating to access to their lands for oil and gas operations and from damages resulting from such access and use of the land for oil and gas operations. I also routinely draft contracts and deeds for real estate which deal with mineral and royalty rights.

Although I am unable to testify in person, I would like to submit written remarks on behalf of SWKROA in opposition to House Bill No. 2727.

The perceived need for this bill seems to be rooted in an urban/rural clash as cities expand into the countryside surrounding a town, and trying to avoid buyer remorse when the buyer ‘discovers’ that their land is burdened by an oil and gas lease, easement, etc. However, the bill goes much further than may be desirable or anticipated, as it would require the new notification about mineral rights to be included in every ‘contract for the sale of real property.’ Compared to the one or two other states which have similar statutory notice provisions, HB2727, does not contain any restrictions to just limit it to residential real property as Colorado does (C.R.S.A § 38-35.7-108), or numerous exemptions for certain transfers as in the North Carolina statute (N.C.G.S.A. §§ 47E-4.1 and 47E-2).

The bill also seems to be shifting the burden to notify from the realtors and title companies to the attorney drafting real estate contracts. Perhaps, if further notice is necessary, the realtors and title companies could expand what they are already doing, rather than creating new law.

In rural Kansas, which comprises almost all of Kansas, this issue does not seem to be much of a problem which requires a legislative ‘solution.’ In our experience as an Association, almost all rural property is burdened by multiple easements and leases, and both buyers and sellers are aware to inquire further if they want to know more details. Also, most title commitments for title insurance (or the now antiquated title opinions) provide adequate boilerplate language to the parties of a real estate transaction to warn the parties to be aware of such easements and leases, and to make further inquiry if desired. HB2727 is unnecessary as current disclosure requirement suffice to inform the parties to real estate contracts of such burdens to the properties.

**Summary.** For the reasons mentioned above, SWKROA respectfully urges your committee not to approve House Bill No. 22727.

Respectfully submitted,

Erick E. Nordling  
Executive Secretary, SWKROA