

As Amended by House Committee

Session of 2018

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.

4
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
15 agreement, surface agreement, letter agreement, memorandum or other
16 notice that may be recorded with the register of deeds or the state
17 corporation commission. Buyer is advised to consult independent legal
18 advice.

19 ~~The oil and gas activity that may occur on or adjacent to this property~~
20 ~~may include, but is not limited to: Surveying operations; drilling~~
21 ~~operations; construction of facilities used for the production, treatment,~~
22 ~~storage or transportation of oil or gas, such as oil wells, gas wells or~~
23 ~~saltwater disposal wells; reworking operations on current wells or~~
24 ~~enhanced recovery wells; burying of oil and gas production pipelines or~~
25 ~~electrical lines; and installation of above ground electric lines or gas~~
26 ~~gathering and processing facilities~~ **Minerals are defined to include oil,**
27 **natural gas, iron ore, coal, salt, sand, gravel or any other natural**
28 **substance that may be of commercial value and is obtained by mining,**
29 **quarrying or drilling on the surface or subsurface of the lands.**

30 The buyer is encouraged to read the title commitment and final title
31 insurance policy and seek additional information regarding ~~oil and gas~~
32 **mineral ownership and mining, quarrying or drilling** activity on or
33 adjacent to this property ~~that may include, but is not limited to, any~~
34 ~~approved oil and gas operations permits and applications for permits~~
35 ~~including any applications to drill an oil and gas well. This information~~
36 ~~may be available from the state corporation commission. Buyer is~~

1 encouraged to consult independent legal advice."

2 (b) **The notice required under subsection (a) does not create a**
3 **duty to investigate or disclose that does not otherwise exist for the**
4 **licensee as required by law.**

5 (c) The provisions of this section shall be a part of and supplemental
6 to the Kansas real estate brokers' and salespersons' license act.

7 Sec. 2. This act shall take effect and be in force from and after July 1,
8 2019, and its publication in the statute book.