

HOUSE BILL No. 2652

AN ACT concerning oil and gas; concerning unitization; amending K.S.A. 55-1302 and repealing the existing section.

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

Section 1. K.S.A. 55-1302 is hereby amended to read as follows: 55-1302. *As used in this act:*

(a) Except where the context otherwise requires, the terms used or defined in articles 6 and 7 of chapter 55 of the Kansas Statutes Annotated, *and amendments thereto*, shall have the same meaning when used in this act. ~~The term “pool” as herein used shall mean~~

(b) ~~“Pool” means an underground accumulation of oil and gas in a single and separate natural reservoir characterized by one or more natural reservoirs in communication so as to constitute a single pressure system so that production from one part of the pool affects the reservoir pressure throughout its extent. The term “oil and gas” shall mean~~

(c) ~~“Oil and gas” means crude oil, natural gas, casinghead gas, condensate, or any combination thereof. The term~~

(d) ~~“Waste,” in addition to its meaning as used in articles 6 and 7 of chapter 55 of the Kansas Statutes Annotated shall include, and amendments thereto, includes both economic and physical waste resulting from the development and operation separately of tracts that can best be operated as a unit. The term “working interest owner” shall mean~~

(e) ~~“Working interest owner” means the owner of tracts or interests who, in the absence of a unitization order, would have the right to drill and operate a well or wells on the separately owned tracts comprising a unit.~~

New Sec. 2. The amendment by this act of the definition of “pool” shall not be considered a statement of legislative intent for the purpose of interpretation of the definition of “pool” prior to its amendments by this act.

New Sec. 3. (a) As used in this section, terms have the meanings provided by K.S.A. 55-1302, and amendments thereto.

(b) Subject to the provisions of subsection (c), if all mineral and royalty owners and not less than 90% of the working interest owners approve, in writing, a contract for the unit operation of a pool or part thereof, such unit operations shall become effective without application to or order by the state corporation commission.

(c) Before a contract for the unit operation of a pool or part thereof shall become effective pursuant to subsection (b), the person or persons wishing to provide for the unit operation shall file a copy of the contract with the state corporation commission and shall notify all working interest owners of the intention to conduct the unit operation. Such notice shall be in the manner provided by law for notice of an application requesting an order for the unit operation of a pool or part thereof. The notice shall inform the working interest owner of the right to institute proceedings within 30 days after receipt of the notice to have the matter determined by the state corporation commission. Any working interest owner, within 30 days after receipt of the notice, may institute proceedings before the state corporation commission to determine the matter in accordance with the provisions of K.S.A. 55-1301 et seq., and amendments thereto. If no such proceedings are instituted, the contract shall become effective upon expiration of the 30-day period.

(d) This section shall be part of and supplemental to the provisions of article 13 of chapter 55 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 4. K.S.A. 55-1302 is hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.