

PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON UTILITIES

Re: HB 2673 Oil & Gas Payment Information.

**February 13, 2006**  
**Topeka, Kansas**

**Written Testimony Provided by:**  
**Terry D. Holdren**  
**KFB Governmental Relations**

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Chairman Emler and members of the Senate Committee on Utilities, thank you for the opportunity to provide comments on HB 2673 today. As you know, KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families through our 105 county Farm Bureau Associations.

For some time our members, many of whom own leases on oil and natural gas reserves beneath their property, have sought clarification about the price and production information received on the check-stub of their royalty payments. While current law requires that production companies provide specific information and a mechanism for royalty owners to request additional information or clarification, there remains great disparity in the information that is provided and the response by production companies to requests for additional information. We are grateful to the task force created by the 2005 Legislature and their efforts to resolve this issue in the months since the conclusion of last year's session.

KFB members have adopted policy that supports additional requirements for production companies which will promote transparency in production and price reporting so that lease owners have accurate and reasonable information. We support the recommendations of the task force contained in HB 2763 and respectfully ask that you take favorable action on the bill before you today.

Thank you.