

Approved: April 28, 1995
Date

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Vice Chairperson Pat Ranson on April 27, 1995 in Room 522-S of the Capitol.

Members present: Senators Salisbury, Downey, Kerr, Petty, Ranson, Reynolds, Steffes and Vidricksen.

Committee staff present: Lynne Holt, Legislative Research Department
Betty Bomar, Committee Secretary

Conferees appearing before the committee:

Confirmation of John O. Farmer III, Board of Directors, Kansas Inc.

The Committee reviewed the Senate Confirmation Questionnaire, Statement of Substantial Interests and letter submitted by Mr. Farmer stating his desire to serve as a member of the Board of Directors of Kansas Inc. See Attachment 1.

After thorough discussion, the Committee determined it would set a precedent to consider the confirmation of Mr. Farmer without his personally appearing before the Committee. The Committee deferred action on the confirmation.

The Committee adjourned at 1:30 p.m.

The next meeting is scheduled for Friday, April 27, 1995 at 2:00 p.m.

SENATE CONFIRMATION QUESTIONNAIRE

Office of Governor Bill Graves

Please complete and return this form to the Governor's Appointments Office. Attach additional sheets if necessary.

Name: John O. Farmer III
 Home Address: 239 Amber Drive
 City, State, Zip: Russell, Kansas 67665
 Business Address: Box 352
 City, State, Zip: Russell, Kansas 67665
 Home Phone: 913-483-2224 Business Phone: 913-483-3144
 Date of Birth: October 26, 1940 Place of Birth: Dallas, Texas
 Party Affiliation: Republican KBI Check: NA In Process Complete
 Appointed as: Board Member - Kansas Inc
 Appointment Date: 3/23/95 Expiration Date: 6/30/98
 Term Length: _____ Statutory Authority: _____
 Salary: _____ Predecessor: Mike Vess
 Statutory Requirements: _____

BACKGROUND

1. List high school, college, or other education institution attended along with the date attended and degree conferred.

Education Institution	Dates	Degree
<u>Russell High School</u>	<u>1954-58</u>	<u>High School Diploma</u>
<u>Missouri School of Mines</u>	<u>1958-63</u>	<u>BS - Petroleum Engineering</u>
<u>Missouri School of Mines</u>	<u>May 1965</u>	<u>Professional Degree</u>
		<u>Geological and Petroleum Engineering</u>

2. List memberships in business, trade and professional organizations for the past 10 years.

Organization	Dates
<u>Society of Petroleum Engineers</u>	<u>1960 - Present</u>
<u>Tertiary Oil Recovery Project - Univ of Kansas</u>	<u>1974 - Present</u>
<u>KIOGA</u>	<u>1974 - Present</u>
<u>Producer Advisory Group - North Mid-Continent</u>	<u>1984 - Present</u>
<u>Petroleum Technology Transfer Council</u>	

3. List any public offices you have been elected or appointed to, along with the dates of service.

Office Held	Dates
<u>Russell City Council</u>	<u>1975-1983</u>

Commence
April 27, 1995

Page 1-14

4. List any positions held with a foreign, federal or local government entity along with the dates of service.

Position	Government Entity	Dates
NA		

5. List any lobbying activities you have been involved in during the past five years. This includes activities as a registered lobbyist or lobbying activities for which you were compensated.

Group	Compensation (yes/no)	Dates
NA		

6. List experience or interests which qualify you for the position to which you have been appointed. I am President of a large independent oil company, I have worked for a large corporation (Shell Oil Company), I have banking experience (director), I manage 2 investment companies.

7. Summarize business and professional experience. I am a registered professional engineer, company president, bank director, and managing partner for 2 investment companies.

8. List any service in the United States military. Include dates of service, branch, date and type of discharge.

Branch	Discharge	Dates
* US Army	Honorable - May 1965	1963-65
<u>* I was a 1st Lieutenant in the US Army Corps of Engineers</u>		

9. Provide details of any arrest, charge or questioning by a federal, state or other law enforcement authority for violation of any federal, state, county or municipal law, regulation or ordinance (excluding traffic violations for which a fine of \$100 or less was imposed).

NA

10. List and provide details of any interests that may present a conflict of interest for this position. none

I, John O. Farmer III, declare that this questionnaire is true, correct and complete to the best of my knowledge.

John O. Farmer III
Signature

March 29, 1995
Date

RESUME

John O. Farmer III

PERSONAL

Birthdate: October 26, 1940
Marital Status: Married, 3 children, 2 stepchildren
Home Address: 239 Amber Drive
Russell, Kansas 67665
Phone: 913-483-2224 (home)
913-483-3144 (work)

EDUCATION

Russell High School 1954-58
Missouri School of Mines 1958-63 - Graduated with a BS degree
in Petroleum Engineering - January, 1963
Missouri School of Mines 1995 - To receive a Professional Degree
in Geological and Petroleum Engineering - May, 1995

WORK EXPERIENCE

1963-65 Lieutenant, U.S. Army Corps of Engineers in
Kitzingen, Germany. Duties included platoon leader, executive
officer, and assistant S-3. Received an Honorable Discharge.

1965-69 Petroleum Engineer, Shell Oil Company. Worked in
various engineering jobs in Oklahoma, Texas, Arkansas, Kansas,
Illinois, Colorado, Montana, Wyoming, and North Dakota. I lived in
Oklahoma City, Houston, Denver, and Mt. Vernon, Illinois. I left Shell
in January, 1969 as a Senior Reservoir Engineer to join my father in
business.

1969-Present Petroleum Engineer, John O. Farmer, Inc. in Russell,
Kansas. I became Vice-President in 1971 and President in 1989.
John O. Farmer, Inc. is an independent oil operator with drilling and
production operations in Kansas, Oklahoma, and Nebraska.

OIL INDUSTRY ORGANIZATIONS

1971-Present Licensed professional engineer (by examination)
in the State of Kansas
1960-Present Member Society of Petroleum Engineers

1975-Present	Advisory Board, Tertiary Oil Recovery Project - University of Kansas
1974-Present	Board Member, KIOGA
1994-Present	Producer Advisory Group, North Mid-Continent Petroleum Technology Transfer Council

OTHER ORGANIZATIONS

1982-1994	Board Member, Russell State Bank
1994-Present	Advisory Board Member, United Missouri Bank (purchased Russell State Bank in 1994)
1984-1989	Board Member, Marymount College (Chairman of the Board in 1989)
Approx. 1983-1987	Board Member, Wesley Medical Foundation
Approx. 1975-1984	Russell City Council
1975	Rotary Fellowship - One of Five-Member Group Study Exchange Team to New South Wales, Australia
1970-Present	Russell Kiwanis Club
1994-Present	St. Mary Catholic Church - Church Council

REFERENCES

Jack Nichols, President
UMB-NBA Bank
P.O. Box 713
Russell, KS 67665

Jim Berglund, President
Sunflower Bank
P.O. Box 800
Salina, KS 67402

Ross Beach, President
Kansas Natural Gas, Inc.
P.O. Box 818
Hays, KS 67601

Dick Renfro, President
UMB-NBA Bank
P.O. Box 560
Salina, KS 67402

Jim Devlin, President
Viking Resources, Inc.
105 South Broadway, #1040
Wichita, KS 67202-4224

Danny Biggs, Superintendent
Pickrell Drilling Company, Inc.
P.O. Box 1303
Great Bend, KS 67530-1303

Bob Schmidt
P.O. Box 817
Hays, KS 67601

Don Schnacke
Executive Vice-President
Ks. Independent Oil & Gas Assoc.
105 South Broadway, #500
Wichita, KS 67202-4262



KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

STATEMENT OF SUBSTANTIAL INTERESTS FOR INDIVIDUALS WHOSE

APPOINTMENT TO STATE OFFICE IS SUBJECT TO SENATE CONFIRMATION

INSTRUCTIONS. This statement (pages 1 through 4) must be completed by each person whose appointment to a state position is subject to Senate confirmation (K.S.A. 46-247 and 46-248). Failure to complete and return this statement may result in a fine of \$10 per day for each day it remains unfiled. Also, any individual who intentionally fails to file as required by law, or intentionally files a false statement, is subject to prosecution for a class B misdemeanor.

Please read the "Guide" and "Definition" section provided with this form for additional assistance in completing sections "C" through "G". If you have questions or wish assistance, please contact the Commission office at 109 West 9th, Topeka, KS or call 913-296-4219.

A. IDENTIFICATION:

PLEASE TYPE OR PRINT

F A R M E R J O H N O

Last Name

First Name

MI

D I A N N E

Spouse's Name

2 3 9 A M B E R D R I V E

Number & Street Name; Apartment Number, Rural Route, or P.O. Box Number

R U S S E L L K A N S A S 6 7 6 6 5

City, State, Zip Code

9 1 3 ** 4 8 3 ** 2 2 2 4

Home Phone Number

9 1 3 ** 4 8 3 ** 3 1 4 4

Business Phone Number

B. APPOINTED POSITION SUBJECT TO SENATE CONFIRMATION:

K A N S A S I N C

List Name of Agency, Commission or Board

B O A R D M E M B E R

Position

* The last four digits of your social security number will aid in identifying you from others with the same name on the computer list. This information is optional.

* 6 3 8 7

C. **OWNERSHIP INTERESTS:** List any corporation, partnership, proprietorship, trust, joint venture and every other business interest, including land used for income in, which either you or your spouse has owned within the preceding 12 months a legal or equitable interest exceeding \$5,000 or 5%, whichever is less. If you or your spouse own more than 5% of a business, you must disclose the percentage held. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "C", check here ____.

BUSINESS NAME AND ADDRESS	TYPE OF BUSINESS	DESCRIPTION OF INTERESTS HELD	HELD BY WHOM	PERCENT OF OWNERSHIP INTERESTS
1. JOHN O. FARMER INC BOX 352 RUSSELL, KANSAS 67665	OIL BUSINESS	*	<input checked="" type="checkbox"/> You <input type="checkbox"/> Spouse <input type="checkbox"/> Jointly	<input checked="" type="checkbox"/> * <input type="checkbox"/> <input type="checkbox"/>
2. J AND R FARMS BOX 352 RUSSELL, KANSAS 67665	FARMING	*	<input checked="" type="checkbox"/> You <input type="checkbox"/> Spouse <input type="checkbox"/> Jointly	<input checked="" type="checkbox"/> * <input type="checkbox"/> <input type="checkbox"/>
3. * See attachment to Section C			<input type="checkbox"/> You <input type="checkbox"/> Spouse <input type="checkbox"/> Jointly	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.			<input type="checkbox"/> You <input type="checkbox"/> Spouse <input type="checkbox"/> Jointly	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
5.			<input type="checkbox"/> You <input type="checkbox"/> Spouse <input type="checkbox"/> Jointly	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
6.			<input type="checkbox"/> You <input type="checkbox"/> Spouse <input type="checkbox"/> Jointly	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
7.			<input type="checkbox"/> You <input type="checkbox"/> Spouse <input type="checkbox"/> Jointly	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

D. **GIFTS OR HONORARIA:** List any person or business from whom you or your spouse either individually or collectively, have received gifts or honoraria having an aggregate value of \$500 or more in the preceding 12 months.

If you have nothing to report in Section "D", check here ____.

NAME OF PERSON OR BUSINESS FROM WHOM GIFT RECEIVED	ADDRESS	RECEIVED BY:
1. ROSEMARY FARMER (MY MOTHER)	120 ELM RUSSELL KANSAS 67665	JOHN O. FARMER III
2. * I WAS NOT REQUIRED TO LIST THIS GIFT.		
3.		

E. **RECEIPT OF COMPENSATION:** List all places of employment in the last calendar year, and any other businesses from which you or your spouse received \$2,000 or more in compensation (salary, thing of value, or economic benefit conferred on in return for services rendered, or to be rendered), which was reportable as taxable income on your federal income tax returns.

1. YOUR PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR. IF SAME AS SECTION "B", CHECK HERE ____.
If you have nothing to report in Section "E"1, check here ____.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.	JOHN O. FARMER INC	BOX 352 RUSSELL, KANSAS	OIL PRODUCER
2.			

2. SPOUSE'S PLACE(S) OF EMPLOYMENT OR OTHER BUSINESS IN THE PRECEDING CALENDAR YEAR.
If you have nothing to report in Section "E"2, check here X.

	NAME OF BUSINESS	ADDRESS	TYPE OF BUSINESS
1.			
2.			

F. **OFFICER OR DIRECTOR OF AN ORGANIZATION OR BUSINESS:** List any organization or business in which you or your spouse hold a position of officer, director, associate, partner or proprietor at the time of filing, irrespective of the amount of compensation received for holding such position. Please insert additional page if necessary to complete this section. If you have nothing to report in Section "F", check here ____.

	BUSINESS NAME AND ADDRESS	POSITION HELD	HELD BY WHOM
1.	JOHN O. FARMER INC BOX 352 RUSSELL, KANSAS 67665	PRESIDENT	JOHN O. FARMER III
2.	UNITED MISSOURI BANK - RUSSELL BRANCH 507 MAIN RUSSELL, KANSAS 67665	DIRECTOR	JOHN O. FARMER III
3.	KANSAS INDEPENDENT OIL AND GAS ASSOC. 105 S. BROADWAY #500 WICHITA, KS 67202-4262	DIRECTOR	JOHN O. FARMER III
4.	TORP 400B LEARNED HALL LAWRENCE, KS 66045	DIRECTOR	JOHN O. FARMER III
5.			
	* See attachment to Section F		

G. **RECEIPT OF FEES AND COMMISSIONS:** List each client or customer who pays fees or commissions to a business or combination of businesses from which fees or commissions you or your spouse received an aggregate of \$2,000 or more in the preceding calendar year. The phrase "client or customer" relates only to businesses or combination of businesses. In the case of a partnership, it is the partner's proportionate share of the business, and hence of the fee, which is significant, without regard to expenses of the partnership. An individual who receives a salary as opposed to portions of fees or commissions is generally not required to report under this provision. Please insert additional page if necessary to complete this section.

If you have nothing to report in Section "G", check here ____.

	NAME OF CLIENT / CUSTOMER	ADDRESS	RECEIVED BY
1.	John O. Farmer Inc - Directors Fee	Box 352 Russell, Kansas 67665	John O. Farmer III
2.	UMB. Bank - Directors Fee	507 Main Russell, Kansas 67665	John O. Farmer III
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			

H. **DECLARATION:**

I, John O. Farmer III, declare that this statement of substantial interests (including any accompanying pages and statements) has been examined by me and to the best of my knowledge and belief is a true, correct and complete statement of all of my substantial interests and other matters required by law. I understand that the intentional failure to file this statement as required by law or intentionally filing a false statement is a class B misdemeanor.

April 3, 1995

Date

John O. Farmer III

Signature of Person Making Statement

NUMBER OF ADDITIONAL PAGES 4.

Return your completed statement to the Secretary of State, State House, Topeka, Kansas 66612.

STATEMENT OF SUBSTANTIAL INTERESTS
ATTACHEMENT TO SECTION C

Page 1

<u>Business Name and Address</u>	<u>Type of Business</u>	<u>Description of Interests Held</u>	<u>Held By</u>
John O. Farmer, Inc. P.O. Box 352 Russell, KS 67665	Oil	40% of Voting Common Stock 15.8% of Non-Voting Common Stock 15.6% of Preferred Stock	Self Self Self
J & R Farms P.O. Box 352 Russell, KS 67665	Farming	5.12% of Common Stock	Self
John O. Farmer, III Accumulation Trust		100% Beneficiary	Self
Farmer Family Trust		50% Beneficiary	Self
<u>Common Stocks</u>			
Rio Narcea Gold Mines		15,000 shares	Jointly
Rio Narcea Gold Mines		1,300 shares	Spouse
Merrill Lynch		500 shares	Jointly
Seacoast Bank Corp.		100 shares	Jointly
<u>Mutual Funds</u>			
Templeton Foreign Fund		2,619 shares	Jointly
Templeton Global Income Fund		7,200 shares	Jointly
Templeton Global Gov't Fund		7,000 shares	Jointly
Merrill Lynch World Income Fund		17,960 shares	Jointly
Corporate Income Fund Insured Series 3		45 Units	Jointly
Corporate Income Fund Insured 019		20 Units	Jointly
Corporate Income Fund Monthly Payment 317		100 Units	Jointly
Corporate Income Fund Insured Series 1		14 Units	Spouse
Corporate Income Fund Insured Series 4		43 Units	Spouse
Corporate Income Fund Insured 019		3 Units	Spouse
Corporate Income Fund Insured 020		3 Units	Spouse
Corporate Income Fund Insured 022		1 Unit	Spouse
Corporate Income Fund Insured 017		9 Units	Spouse
Merrill Lynch World Income Fund		2037 shares	Spouse

STATEMENT OF SUBSTANTIAL INTERESTS
ATTACHEMENT TO SECTION C

Page 2

Oil and Gas Working Interests

<u>Lease Name</u>	<u>Legal Description</u>	<u>WI%</u>	<u>Held By</u>
Andreson 'A'	SW/4 & W/2 SE/4 Sec. 16-T9S-R21W, Graham Co., KS	5.0000%	Self
Andreson 'B'	NW/4 Sec. 21-T9S-R21W, Graham Co., KS	5.0000%	Self
Boland	E/2 NW/4 & W/2 NE/4 Sec. 16-T9S-R21W, Graham Co., KS	4.6875%	Self
Curtis	S/2 NE/4 & N/2 SE/4 Sec. 36-T15S-R27W, Gove Co., KS	5.0000%	Self
Dirks	SE/4 Sec. 6-T13S-R33W, Logan Co., KS	4.0000%	Self
Jones	N/2 SE/4 Sec. 14-T1N-R27W, Red Willow Co., NE	2.2500%	Self
Kinzie	W/2 Sec. 23-T29S-R13W, Pratt Co., KS	2.2500%	Self
Ladenburger	SW/4 Sec. 7-T13S-R33W, Logan Co., KS	3.0000%	Self
Lee	SE/4 Sec. 22-T29S-R13W, Pratt Co., KS	2.2500%	Self
Loeppke	E/2 NW/4 Sec. 18-T24S-R3W, Pratt Co., KS	1.6250%	Self
McFall	W/2 NE/4 Sec. 28-T29S-R13W, Pratt Co., KS	2.5000%	Self
McMullen	SW/4 Sec. 33-T8S-R17W, Rooks Co., KS	12.500%	Self
Nicholson	SW/4 Sec. 12, NW/4 Sec. SE/4 Sec. 14 T1N-27W, Red Willow Co., NE	2.2500%	Self
Novotny	SE/4 Sec. 21-T29S-R13W, Pratt Co., KS	2.5000%	Self
Pfeifer	NW/4 NW/4 & N/2 SE/4 NW/4 & SW/4 SE/4 NW/4 Sec. 5-T14S-R17W, Ellis Co., KS	3.4375%	Self

STATEMENT OF SUBSTANTIAL INTERESTS

ATTACHEMENT TO SECTION C

Page 3

<u>Lease Name</u>	<u>Legal Description</u>	<u>WI%</u>	<u>Held By</u>
Riggs Sellens 'A'	E/2 Ne/4 Sec. 22-T15S-R13W, Russell Co., KS	10.000%	Self
Riggs Sellens 'B'	E/2 SE/4 Sec. 22-T15S-R13W, Russell Co., KS	10.000%	Self
Swenson 'A'	SE/4 Sec. 8-T9S-R21W, Graham Co., KS	5.0000%	Self
Swenson 'B'	SW/4 Sec. 8-T9S-R21W, Graham Co., KS	5.0000%	Self
A. Wasinger	SE/4 Sec. 15-T15S-R18W, Ellis Co., KS	5.0000%	Self
F. Wasinger	W/2 SW/4 Sec. 11-T15S-R18W, Ellis Co., KS	5.0000%	Self
P. Wasinger	S/2 NE/4 Sec. 15-T15S-R18W, Ellis Co., KS	5.0000%	Self

Mineral Interests

Lee Lease	W/2 except the SE/4 SW/4 Sec. 22-29S-13W	1.041667%	Self
Lee Lease	W/2 except the SE/4 SW/4 Sec. 22-29S-13W	1.041667%	Spouse

ORRI

McFall	W/2 NE/4 Sec. 28-T29S-R13W, Pratt Co., KS	1%	Self
Novotny	SE/4 Sec. 21-T29S-R13W, Pratt Co., KS	1.5%	Self
McFall	W/2 NE/4 Sec. 28-T29S-R13W, Pratt Co., KS	1%	Spouse
Novotny	SE/4 Sec. 21-T29S-R13W, Pratt Co., KS	1.5%	Spouse

1-11

STATEMENT OF SUBSTANTIAL INTERESTS
ATTACHMENT TO SECTION F

<u>Business Name and Address</u>	<u>Position Held</u>	<u>Held by Whom</u>
Farmer Family Tax Free Investment Co. P.O. Box 352 Russell, KS 67665	Managing Partner	John O. Farmer III
Farmer Family Asset Allocation Co. P.O. Box 352 Russell, KS 67665	Managing Partner	John O. Farmer III

JOHN O. FARMER, INC.

OIL PRODUCERS AND DRILLING CONTRACTORS

BOX 352

RUSSELL, KANSAS 67665

913-483-3144

(FAX) 913-483-6020

April 27, 1995

Senator Alicia Salisbury
Chairman Senate Commerce Committee
State Capitol Building
Room 120 South
Topeka, Kansas 66612-1504

Re: Kansas, Inc.,
Appointment

Dear Senator Salisbury:

I have for a long time been concerned about the lack of job opportunities in Western Kansas. Our area has been over-dependent on agriculture and oil for jobs and if we are to do more than just survive, we need to diversify our business activities beyond these two industries.

Since Kansas, Inc., was formed in 1986, I felt it could be an excellent vehicle to explore economic development ideas that would benefit the entire state. I have been a personal contributor to Kansas, Inc., since the organization was formed.

In my opinion, the important components of economic development strategy for the state are summarized as follows:

- 1) A competitive business environment for existing industries.
- 2) Attempt to attract new industry and start-ups.
- 3) Achieve a highly skilled work force through education and training.
- 4) Create a vision for business and communities and some idea of how to create change.
- 5) Decentralize economic development so that each part of the state can determine how to meet their economic needs.

I feel that I can contribute to Kansas, Inc., because I have expertise in the oil and gas business, banking, and agriculture. Since I live in Western Kansas, I have a vested interest in the economic well being of the people from this part of the state.

The most important economic development issue for the state legislators to address is the continued funding of economic development programs. The Kansas Lottery must be continued if we are to maintain a presence in economic development.

Yours very truly,
JOHN O. FARMER, INC.


John O. Farmer III

JOFIII/ljb