

MINUTES OF THE SENATE UTILITIES COMMITTEE

The meeting was called to order by Chairman Stan Clark at 9:30 a.m. on February 12, 2004 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Bruce Kinzie, Revisor of Statutes
Raney Gilliland, Legislative Research
Ann McMorris, Secretary

Conferees appearing before the committee:

Senator Stan Clark
David Bleakley, Attorney, Eastern Kansas Oil & Gas Co.
David Nickel, Attorney, KIOGA

Others attending:

See Attached List.

Moved by Senator Brownlee, seconded by Senator Tyson, amend SB 331 by adding new Section 2 basically patterned after the South Dakota law (Attachment 1). After considerable discussion on the language on compensation in New Sec. 2 (a)(4), consensus the language in (4) be deleted and a clause be added in (3) regarding the exclusion of any compensation. Motion carried. (Attachment 2)

Chairman Clark provided historical background on filing of mineral & royalty leases in various Western Kansas counties and the clouding of titles this has created. He provided documentation on the activities of Cobra Petroleum filing titles with improper legal descriptions on mineral and royalty deeds in his district. In several occurrences a deed was filed on the complete section of land and the grantor only owned an interest in an 80 acre tract within that section. In other instances, mortgages and oil leases were filed on land where the grantor had no ownership in the property. (Attachment 3)

David Nickel, attorney, appeared in behalf of Kansas Independent Oil and Gas Association KIOGA regarding the amendments to SB 331. (Attachment 4) He offered his assistance in working out a solution and Chairman Clark assigned this task to Senator Pugh, Doug Smith and David Nickel and asked for a report to the committee on Monday, February 16.

David Bleakley, representing Eastern Kansas Oil and Gas, spoke on his experiences in handling of leases and felt Cobra should be approached to provide corrections in their leases.

The next meeting of the Senate Utilities Committee will be on February 16, 2004.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 4

SENATE UTILITIES COMMITTEE GUEST LIST

DATE: February 12, 2004

Name	Representing
Judy Moler	KAC
Marilyn Nichols	Register of Needs Assoc.
Cliff Kramer	KFB
Bob Ditt	KFB
Phil Ball	KFB
Ronald Scheiner	KFB
Todd Tobin	KFB
Harrel Brand	KFB
David Bleakley	SKOGA & COLT ENERGY, INC.
Tom Brown	SKOGA
Don Schuyler	KTOGA
David Nickl	"
NIKI CHRISTOPHER	CURTB
JOHN C. BOTTENBERG	WESTAR ENERGY
Jay L. Linn	KFB
Penny Bodar	KFB

SENATE BILL No. 331

By Committee on Utilities

1-22

AN ACT concerning wind resources and technologies; relating to the recording of leases or easements related thereto; amending K.S.A. 58-2221 and repealing the existing section.

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

Section 1. K.S.A. 58-2221 is hereby amended to read as follows: 58-2221. Every instrument in writing that conveys:

(a) Real estate;

(b) any estate or interest created by an oil and gas lease, or;

(c) any estate or interest created by any lease or easement involving wind resources and technologies to produce and generate electricity; or

(d) whereby any real estate may be affected, proved or acknowledged, and certified in the manner hereinbefore prescribed, may be recorded in the office of register of deeds of the county in which such real estate is situated. ~~Provided,~~ It shall be the duty of the register of deeds to file the same for record immediately, and in those counties where a numerical index is maintained in ~~his or her~~ the register of deeds' office, the register of deeds shall compare such instrument, before copying the same in the record, with the last record of transfer in ~~his or her~~ the register of deeds' office of the property described ~~and~~. If the register of deeds finds such instrument contains apparent errors, ~~he or she~~ the register of deeds shall not record the same until ~~he or she~~ shall have notified the grantee where instrument until the grantee has been notified, if such notice is reasonably possible.

The grantor, lessor, grantee or lessee or any other person conveying or receiving real property or other interest in real property upon recording the instrument in the office of register of deeds shall furnish the register of deeds the full name and last known post-office address of the person to whom the property is conveyed or ~~his or her~~ such person's designee. The register of deeds shall forward such information to the county clerk of the county who shall make any necessary changes in address records for mailing tax statements.

Sec. 2. K.S.A. 58-2221 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

Any instrument recorded under the provisions of this section shall be effective only to the extent such instrument describes the real estate by specific section, township and range.

or recorded a city or subdivision plat

Senate Utilities Committee
February 11, 2004
Attachment 1-1

Section 1. Any mineral and royalty deed in this state recorded on or after January 1, 2000, or referred to or described in any instrument of record after such date, shall be void by operation of law if such mineral and royalty deed contains a provision which contains a general provision covering all oil, gas and other mineral interests owned by a grantor located in a particular county whether such interests is described in the deed and is similar in language to the following:

“Notwithstanding anything herein to the contrary, the lands individually described above are set out for the convenience of the parties and shall not be interpreted as limiting this grant, it being the intent of the parties that this deed cover all oil, gas and other mineral interests of every kind and description owned by grantor and located in county, _____ Kansas, whether or not particularly described above”

Sec. 2. (a) When a recorded mineral and royalty deed contains an inaccurate, incorrect or insufficient legal description of the real estate covered by such deed, the grantor may make demand upon the grantee to correct such legal description.

(b) Any grantee who refuses or neglects to correct such legal description in the office of the register of deeds within 20 days after demand has been made as provided in subsection (a) shall be liable in damages to the person for whom the demand was made in the sum of \$500, together with a reasonable attorney’s fee for preparing and prosecuting the action. The plaintiff in such action may recover any additional damages that the evidence in the case warrants. Civil actions may be brought under this act before any court of competent jurisdiction, and attachments may be had as in other cases.

Mr. Glenn Lambert
2060 6 Road Zurich, Kansas 67663
785-737-2146 or 785-737-6146 cell phone

January 7, 2004

Office of the Attorney General Phill Kline
120 SW 10th Street, 2nd Floor
Topeka, Kansas 66612-1597

Dear Attorney General Kline:

I have been visiting with Senator Stan Clark regarding a company that has been filing titles with improper legal descriptions on mineral and royalty deeds in our area. After visiting with Senator Clark, he recommended that I compile all information regarding this situation to help show how it affects not only the title of my property but also the title of other properties in Rooks County.

While researching an oil lease on my property at the Rooks County Register of Deeds Office, I became aware of the problem of improper legal descriptions on mineral and royalty deeds. I discovered that Cobra Petroleum Company, a company based out of Ft. Worth, Texas, had purchased a .01367187 overriding royalty in the Smith "A" Lease located on my property in the W1/2 of NE1/4 of Sec 11-9-20, being 80 acres, more or less. In filing the Mineral and Royalty Deed, they filed on the entire section of land instead of the .01367187 overriding royalty they had purchased on an 80-acre lease. On land owned by my brother, a small share of a producing well was sold to the same company and on the deed it named the entire section instead of the NW1/4 of Sec 5-9-19. I have mailed a letter to Cobra Petroleum Company requesting that they clear the title on my land. I have not had any response and have been unable to find a telephone listing for this company.

While trying to find other information at the Rooks County Register of Deeds Office, I found another deed that literally named all land that was under and around Stockton, Kansas. Cobra Petroleum Company had only purchased six 10-acre locations within the city and 2 other locations outside the city limits. I have enclosed a copy of this deed. Please note that the 5th entry on the deed does not even show what section is involved.

These are only three of the examples I have found in my research. It should be noted that at least 60 deeds have been filed in Rooks County by this company. To me this shows that approximately 240 or more parcels of property now have clouds on their titles. How can these be proper deeds?

The Register of Deeds in Ellis and Russell Counties has faced the same situation with Cobra Petroleum Company within the last 18 months. Russell County stated that they had at least 64 deeds filed in the same manor.

Senate Utilities Committee
February 12, 2004
Attachment 3-1

My attorney, Terry Cikanek of Stockton, Kansas, has advised me that this has created a cloud on other property that I own in this section as well as with the other 3 persons owning property in that section. Mr. Cikanek stated that he had run into problems with this company before and that it was a much larger problem than this one instance. It was his recommendation that I contact your office.

I have visited with Bernard Nordling, retired council for the Southwest Kansas Royalty Owners Association. I have also enclosed a copy of the newsletter from the Southwest Kansas Royalty Owners Association with the dissection of the contract by Mr. Nordling. This newsletter was dated October 2002 when the past Attorney General was in office. It was noted in this newsletter that the Attorney General's office was looking into the contract. Mr. Nordling was not aware of the results of that investigation. He advised that this should be taken to you first and legislation could be written to correct the matter, if necessary.

I contacted your office regarding the matter of improper filing of Mineral and/or Royalty Deeds on December 12, 2003. Your staff informed me that a verbal complaint could not be made. They sent me the proper form to fill out and I received it on December 15, 2003. Even though I do not feel that this form works well for this complaint, I have filled it out with the information that applies. I am sending this form to your office with Senator Clark, along with copies of other pertinent information.

Letters are also enclosed from my banker, my primary land lender, my personal attorney, and the Rooks County Attorney to help explain their problem with this improper filing of deeds and how it affects each of them.

Thank you for taking the time to read and process the complaint and information I have sent you regarding improper filing of Mineral and/or Royalty Deeds by Cobra Petroleum Company. As you can see I feel this is a matter of significant importance to numerous landowners and myself. If there is any other information you might need from me or if you would like to contact me, please do not hesitate to do so. I look forward to hearing from your office.

Sincerely yours,

Mr. Glenn Lambert

Cc: Sen. Stan Clark
Rep. Dan Johnson
Sen. Janis Lee
Sen. Larry Salmons
Rooks County Attorney, Ed Hageman
Terry Cikanek, Attorney
Bernard Nordling

3-2

Enclosed documents:

- 1 Deed filed on 11-9-20 by Cobra Petroleum Company
Deed filed by the former owners listing proper legal description
Copy of map to show the actual lease location within the section
- 2 Deed filed on 5-9-19 by Cobra Petroleum Company.
Copy of map to show lease location within the section.
- 3 Deed filed on leases within the city of Stockton, Kansas by Cobra Petroleum
Company
Map showing the area covered by Cobra Petroleum Company's Deed
Map showing the actual leases within the city limits of Stockton, Kansas
- 4 Letter from Terry Cikanek Stockton Attorney
- 5 Letter from Tim Thompson, Vice President, Farmers & Merchants Bank Bogue,
Kansas
- 6 Letter from Charlie Shippers, loan officer, High Plains Farm Credit, Hays, Kansas
- 7 Copy of letter sent to Cobra Petroleum Company by Rooks County Attorney, Ed
Hageman
- 8 Copy of letter sent to Cobra Petroleum Company by Glenn L. Lambert (self)
- 9 Article in Stockton Sentinal by Rooks County Attorney, Ed Hageman
- 10 Newsletter from SWKROA (Southwest Kansas Royalty Owners Association)
with their interpretation of Cobra Petroleum Company's contract dated October
2002

MINERAL AND ROYALTY DEED

STATE OF KANSAS
COUNTY OF ROOKS

X
X KNOW ALL MEN BY THESE PRESENTS:
X

I, **ISSINGHOFF, LINUS OR MARTHA**

hereinafter referred to as Grantor (whether one or more), for Ten Dollars (\$10.00) and other valuable consideration paid by, **COBRA PETROLEUM COMPANY, P.O. Box 136355, Fort Worth, Texas 76136, SOUTHWEST PETROLEUM COMPANY, P.O. Box 702377, Dallas, Texas 75370-2377, and S&C PROPERTIES, P.O. Box 601295, Dallas, Texas 75360-1295**, hereinafter referred to as Grantee (whether one or more), the receipt of which is hereby acknowledged, has GRANTED, SOLD, and CONVEYED, and by these presents does hereby GRANT, SELL, and CONVEY unto Grantee, (Cobra Petroleum Company, owning 30.00%; Southwest Petroleum Company, owning 60.00%; and S&C Properties, owning 10.00%) its heirs, successors and assigns, forever, subject to the matters stated below, all of Grantor's undivided interest in and to all of the oil, gas, and other minerals, including without limitation, all of the oil royalty, gas royalty, overriding royalty, royalty in casinghead gas and gasoline in, on and under, and that may be produced from, the following lands (the "Lands") in the County of Rooks, State of Kansas, to wit:

ALL OIL, GAS AND OTHER MINERAL INTERESTS OWNED BY GRANTOR IN ROOKS COUNTY, KANSAS, INCLUDING WITHOUT LIMITATION, ALL OF THOSE CERTAIN TRACTS OR PARCELS OF LAND, WELLS, LEASES AND/OR UNITS REFERENCED, DESCRIBED AND/OR PLATTED AS FOLLOWS:

Well/Lease: **SMITH A** Section/Township/Range: **A 11 Sec -11, Twp - 9, Rng - 20** Operator: **THOMASON PETROLEUM INC**

STATE OF KANSAS } 88
ROOKS COUNTY }

This instrument was filed for record in my office at 11:00 o'clock A. M. on this 16 day of Oct. 2003 and is duly recorded in Book 332 of records at page 4
Rodes Sprick
Register of Deeds

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LANDS INDIVIDUALLY DESCRIBED ABOVE ARE SET OUT FOR THE CONVENIENCE OF THE PARTIES AND SHALL NOT BE INTERPRETED AS LIMITING THIS GRANT, IT BEING THE INTENT OF THE PARTIES THAT THIS DEED COVER ALL OIL, GAS AND OTHER MINERAL INTERESTS OF EVERY KIND AND DESCRIPTION OWNED BY GRANTOR AND LOCATED IN ROOKS COUNTY, KANSAS, WHETHER OR NOT PARTICULARLY DESCRIBED ABOVE;

The "Lands" subject to this conveyance also includes all strips, gores, roadways, water bottoms, and other lands adjacent to or contiguous with the lands specifically described above and owned by Grantor. If the description above proves incorrect in any respect or does not include these adjacent or contiguous lands, Grantor shall without additional consideration, knowledge, and deliver to Grantee its successors and assigns, such instruments as are useful or necessary to correct the description and evidence each correction in the appropriate records.

FOR THE SAME CONSIDERATION, Grantor also sells, assigns, transfers, and conveys to Grantee, its successors and assigns, by this deed (i) the rights of ingress, egress, and possession to enter, use, drill, and explore the Lands for oil, gas, and other minerals, and to produce, store, dehydrate, compress, treat, process, transport, market and remove therefrom the Lands, and all other rights lawfully belonging to the oil, gas, and mineral estate; (ii) each valid and subsisting oil, gas, and/or other mineral lease (the "Lease," whether one or more) evidenced in writing and in force of the above-mentioned county, insofar as it covers the Lands (and this conveyance is made subject to each such Lease, insofar as it covers the Lands, together with all royalties, delay rentals paid to extend the term within which operations may be conducted on the Lands, and other rights and interests under each such Lease, insofar as it covers the Lands, without limitation, all royalties, oil payments, gas payments, production payments, revenues, payments, accounts, suspended funds, refunds, interest on overdue payments, and other payments payable by any lessee, operator, purchaser of production, seller of production, or other parties or party whatsoever, with respect to any oil, gas, and/or other minerals produced or to be produced from the Lands before the date of this conveyance (including all such production in any tank, truck, rail car, or pipeline); (iv) all liens and security interests securing the payment of such sums; and (v) all rights, claims, and causes of action of Grantor with respect to such sums, including, without limitation, claims for the underpayment of past royalties; (vi) all of Grantor's interests and after acquired title in and to the above described mineral and royalty interests, insofar as they cover said Lands.

Grantee may, at its option and in addition to any other rights or remedies available to Grantee, pay all or part of any tax, note, or other obligation secured by a lien on the Lands, or any part of them or interest in them. If Grantee ever makes any such payment, or if any production, royalties, delay rentals, or other economic benefits of the estate conveyed by this instrument are ever secured by any lessee, purchaser of production, or other person to pay or discharge, in whole or in part, any tax, note, or other obligation secured by a lien on the Lands, or any part of them or interest in them, Grantee shall be subrogated to, shall succeed to, and may enforce all of the rights of the affected lien holder to secure the recovery of the amounts paid, together with interest and attorney's fees.

Without impairment of Grantee's rights under the warranty in event of failure of title, it is agreed that if this conveyance covers less interest in the oil, gas, sulphur, or other minerals in all or any part of said Lands than the entire and undivided fee simple estate (whether Grantor's interest is herein specified or not), or no interest therein, then the consideration shall be paid only in the proportion which the interest therein, if any, covered by this conveyance, bears to the whole and undivided fee simple estate therein.

In this instrument, "including" means "including, but not limited to"; "other minerals" includes coal, lignite, uranium, sulphur, iron ore, and every other "mineral" now or hereafter recognized as such under the laws of Kansas; the plural includes the singular, and vice versa; each gender includes the others; and references to "Grantor" includes "Grantors," or any of them".

By execution of this instrument, Grantor also authorizes and directs all persons responsible for paying and/or delivering the royalties subject to this instrument (the "subject royalties") to commence paying and/or delivering the subject royalties to Grantee in accordance with this instrument. Grantor warrants and represents to each such person and to that person's heirs, successors, assigns, and legal representatives that prior to making this conveyance, Grantor was the lawful owner of the subject royalties and that Grantor has not heretofore conveyed the subject royalties to any other person. Grantor shall indemnify and hold each person responsible for paying and/or delivering the subject royalties, and that person's heirs, successors, assigns, and legal representatives harmless in front and against any lawful claims to the subject royalties by, through, or under Grantor.

POWER OF ATTORNEY: Coupled with the interest herein conveyed, Grantor does hereby irrevocably appoint and constitute Cobra Petroleum Company as Grantor's Agent and Attorney-in-Fact for the limited purpose only of executing division orders, transfer orders, correction deeds or conveyances, amendments of description, amendments of Grantor's capacity, including geographical errors, and all other instruments as may be necessary for this conveyance of interest, so that Cobra Petroleum Company may act in Grantor's place and stand for this limited purpose only. Cobra Petroleum Company is also given, through this provision, the authority to correct the description of the property being conveyed, if necessary, to show the actual description of the property as reflected by the County Records in which the property is located. This is a Durable Power of Attorney and is not affected by the subsequent disability or incapacity of the principal.

Grantor acknowledges and agrees that Grantee has made no representation or warranty of any kind to Grantor to entice or encourage Grantor to execute this instrument and to receive consideration therefor. Grantor recognizes and acknowledges that the interest herein conveyed may be worth more than the consideration received by Grantor therefore, particularly in the event that drilling or production activity on the interest conveyed herein or in the vicinity thereof proves to be successful. Grantor recognizes and agrees that Grantor has been given the opportunity to ask questions Grantor may desire of Grantee and that the responses thereto given by Grantee were satisfactory to Grantor. If any provision(s) of this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall remain valid.

3-4
PARTIES AGREEMENT TO MEDIATION AND/OR ARBITRATION: IN THE EVENT OF ANY DISPUTE (AS DEFINED HEREIN BELOW) ARISING OUT OF OR RELATING TO THIS CONTRACT, OR THE BREACH THEREOF, THE PARTIES FIRST AGREE TO PARTICIPATE IN AT LEAST FOUR (4) HOURS OF MEDIATION IN ACCORDANCE WITH THE COMMERCIAL MEDIATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION, BEFORE HAVING RECOURSE TO ARBITRATION. If the mediation procedure provided for herein does not resolve any such dispute, the parties agree that all disputes between the parties shall be resolved by binding arbitration administered by the American Arbitration Association in accordance with its commercial arbitration rules and pursuant to the Federal Arbitration Act, 9 U.S.C. Sections 1-14. Judgment upon the award rendered by the arbitrator may be entered in any Court having Jurisdiction. The term "disputes" shall include, but is not limited to, all claims, demands and causes of action of any nature, whether in contract or in tort, in law or in equity, or arising under or by virtue of any statute or regulation or judicial reason, that are now recognized by law or that may be created or recognized in the future, for personal injury, contract damages, intentional and/or malicious conduct, actual and/or constructive fraud, statutory and/or common law fraud, class action suit, and any kind of unfair character, libel, slander, negligence, gross negligence, and/or deceptive trade practices/consumer protection act damages, and for all other losses, damages and expenses, including without limitation, all actual damages, exemplary and punitive damages, all attorneys' fees, all penalties of any kind, prejudgment interest and costs. The award of the arbitrator issued pursuant hereto shall be final, binding and non-appealable.

00002PG005

EXEMPLARY & PUNITIVE DAMAGES: Parties hereby waive any rights to punitive or exemplary damages and the Arbitrator(s) will not have the authority to award exemplary or punitive damages to either party.

11. CHOICE OF VENUE: This contract is performable in Tarrant County, Texas. Any and all claims arising out of Grantor's execution of this contract shall be resolved in Tarrant County, Texas.

12. This instrument may be executed in multiple counterparts. Each counterpart is an original, and all counterparts together are one and the same instrument. This instrument binds each person who executes it, regardless of whether any other person executes it.

13. TO HAVE AND TO HOLD the above-described property and rights, together with all and singular the rights and appurtenances thereto in any wise belonging, unto said Grantee, and the Grantee's heirs, successors, administrators, executors and assigns forever, and the Grantor does hereby bind himself and his, herself and her, itself and its, and/or themselves and their (as the case may be) heirs, successors, administrators, executors, and assigns to warrant and forever defend all and singular, the said property and rights unto the said Grantee, and Grantee's heirs, successors, administrators, executors, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

THIS DOCUMENT AFFECTS YOUR LEGAL RIGHTS, PLEASE READ CAREFULLY OR SEEK LEGAL COUNSEL PRIOR TO SIGNING. GRANTOR REPRESENTS AND WARRANTS THAT HE/SHE/IT HAS READ THE ENTIRE CONTRACT, OR HAS HAD IT READ TO HIM/HER/IT AND UNDERSTANDS AND AGREES TO THE TERMS OF THIS CONTRACT.

Witness the following signatures, this 8th day of October, 2003

Linus Issinghoff
ISSINGHOFF, LINUS OR MARTHA
S.S. #/TAX I.D.#

[Signature]
WITNESS

Martha E. Issinghoff
S.S. #/TAX I.D.#

[Signature]
WITNESS

THE STATE OF KANSAS X
COUNTY OF SHAWNEE X ACKNOWLEDGEMENT X

BEFORE ME, the undersigned authority, on this day personally appeared LINUS ISSINGHOFF personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she, being informed of the contents of same, executed the foregoing instrument for the purpose and consideration therein expressed and appeared to be of sound mind and under no fraud, duress or undue influence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 8th day of OCTOBER, A.D. 2003

My Commission Expires: 12/10/06

Natalie Savage
Notary Signature Here
Notary Public in and for the State of

(Notary seal here)
NATALIE SAVAGE
Notary Public
State of Kansas
My Appointment Expires 12/10/04

THE STATE OF KANSAS X
COUNTY OF SHAWNEE X ACKNOWLEDGEMENT X

BEFORE ME the undersigned authority, on this day personally appeared MARTHA E. ISSINGHOFF personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she, being informed of the contents of same, executed the foregoing instrument for the purpose and consideration therein expressed and appeared to be of sound mind and under no fraud, duress or undue influence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 8th day of OCTOBER, A.D. 2003

My Commission Expires: 12/10/04

Natalie Savage
Notary Signature Here
Notary Public in and for the State of

(Notary seal here)
NATALIE SAVAGE
Notary
State of Kansas
My Appointment Expires 12/10/04

Pursuant to K.S.A. 79-1437e,
a real estate validation questionnaire
is not required due to Exemption No. 6

This document prepared by, and
after recording please return to:

Energy Petroleum Company

3-5

9.00
4.00
13.00

Colin



(For Filing Only)

ASSIGNMENT OF OVER-RIDING ROYALTY

KNOW ALL MEN BY THESE PRESENTS:

That Gregory J. Issinghoff, 402 Ash, Hays Kansas 67601
Social Security # 478-76-4249

hereinafter called Assignor (whether one or more) for and in consideration of the
sum of One and Other Dollars

cash in hand paid and other good and valuable considerations, the receipt of which is hereby acknowledged,
do SO hereby grant, bargain, sell, convey, transfer, assign and deliver unto

Linus C. Issinghoff
2017 Bullinger
Wichita, Kansas 67203
Social Security # 512-26-8508

STATE OF KANSAS } SS.
ROOKS COUNTY }

This instrument was filed for record in my
office at 8:00 o'clock A.M. on this
14th day of Feb 19 86
and is duly recorded in Book 217 of
records at page 194

Register of Deeds

called Assignee (whether one or more) an over-riding royalty in the amount of an undivided 0.01367187
interest in and to all of the oil, gas and other minerals in and under and that may be produced from the fol-
lowing described lands situate in Rooks County, State of Kansas to-wit:

The Smith Lease
W/2 NE/4 and SE/4 Sec. 11-9S-20W

Effective Date: February 10, 1936

During the term of the present valid and subsisting oil and gas lease thereon, free and clear of any and
all expenses of any nature whatsoever, except State and Federal Taxes.

TO HAVE AND TO HOLD The above described property and easement with all and singular the rights,
privileges, and appurtenances thereunto or in any wise belonging to the said Assignee herein his
heirs, successors, personal representatives, administrators, executors, and assigns forever.

WITNESS his hand this 11th day of February, 19 86

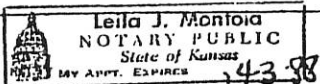
Signature of Gregory J. Issinghoff
Gregory J. Issinghoff

STATE OF Kansas } ss. ACKNOWLEDGMENT FOR INDIVIDUAL (Kans. Okla. and Colo.)
COUNTY OF Ellis }

Before me, the undersigned, a Notary Public, within and for said County and State, on this 11th
day of February, 19 86, personally appeared Gregory J. Issinghoff
and

to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me
that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires



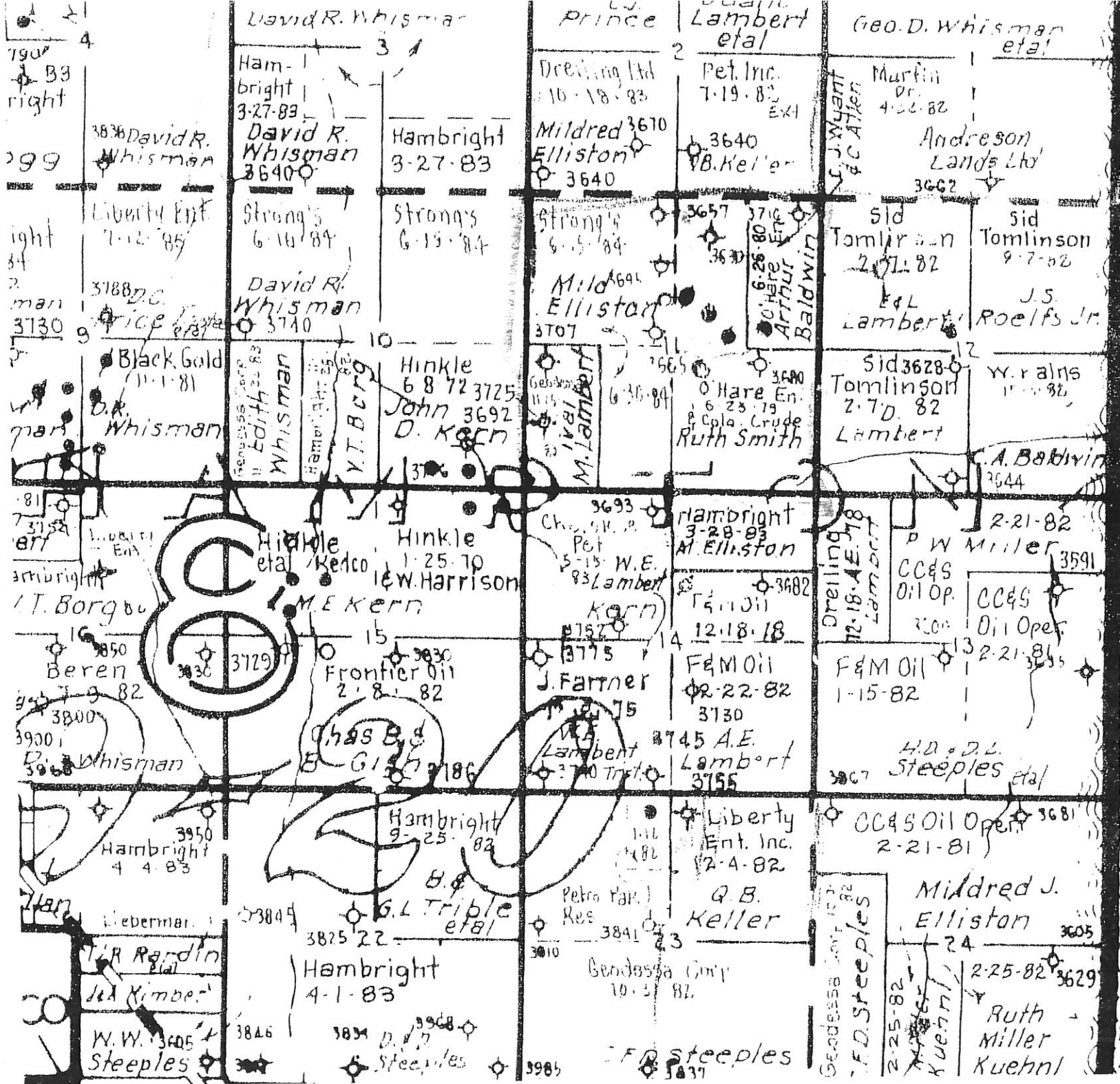
Signature of Leila J. Montoia
Leila J. Montoia
Notary Public

STATE OF } ss. ACKNOWLEDGMENT FOR CORPORATION
COUNTY OF }

Be it remembered that on this day of 19 before me, the undersigned, a
Notary Public, duly commissioned, in and for the county and state aforesaid, came
president of

a corporation of the State of personally known to me to be such officer, and to be
the same person who executed as such officer the foregoing instrument of writing in behalf of said corporation, and he duly ac-
knowledged the execution of the same for himself and for said corporation for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

Handwritten number 3-6



Actual Lease
 Legal Description
 On Cobra Deed
 3-7-83

Shan
 9-12-82
 36-2

Sid Tomlinson
 9-7-82
 36

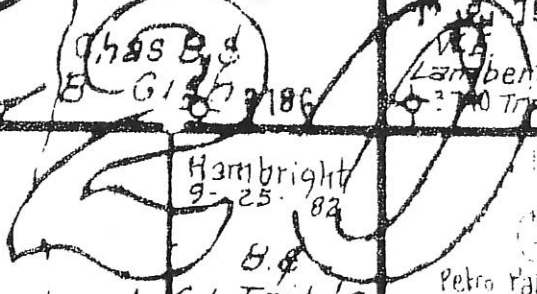
J.S. Roelfs Jr.
 3644

Frontier
 10-18-82
 3581 A.R.
 Baldw

Frontier
 10-5-81
 Kerns Trust

364
 3605
 3629
 3637

Murfin et al
 Atlas Oil



Gendessa Corp 1982
 F.D. Steeples
 2-25-82
 Kuehnl

MINERAL AND ROYALTY DEED

THE STATE OF KANSAS

COUNTY OF ROOKS

)(KNOW ALL MEN BY THESE PRESENTS:)(

1. That THIES, ANTOINETTE I hereinafter referred to as Grantor (whether one or more), for Ten Dollars (\$10.00) and other valuable consideration paid by, COBRA PETROLEUM COMPANY, P.O. Box 136355, Fort Worth, Texas 76136, SOUTHWEST PETROLEUM COMPANY, P.O. Box 702377, Dallas, Texas 75370-2377, and S&C PROPERTIES, P.O. Box 601295, Dallas, Texas 75360-1295, hereinafter referred to as Grantee (whether one or more), the receipt of which is hereby acknowledged, has GRANTED, SOLD, and CONVEYED, and by these presents does hereby GRANT, SELL, and CONVEY unto Grantee, (Cobra Petroleum Company, owning 30.00%; Southwest Petroleum Company, owning 60.00%; and S&C Properties, owning 10.00%) its heirs, successors and assigns, forever, subject to the matters stated below, all of Grantor's undivided interest in and to all of the oil, gas, and other minerals, including without limitation, all of the oil royalty, gas royalty, overriding royalty, royalty in casinghead gas and gasoline in, on and under, and that may be produced from, the following lands (the "Lands") in the County of Rooks, State of Kansas, to wit:

ALL OIL, GAS AND OTHER MINERAL INTERESTS OWNED BY GRANTOR IN ROOKS COUNTY, KANSAS, INCLUDING WITHOUT LIMITATION, ALL OF THOSE CERTAIN TRACTS OR PARCELS OF LAND, WELLS, LEASES AND/OR UNITS REFERENCED, DESCRIBED AND/OR PLATTED AS FOLLOWS:

Well/Lease: HAYDEN/ONDRAS Section/Township/Range: A 11 Sec =5, Twp = 9, Rng = 19 Operator: KNIGHTON OIL CO INC

STATE OF KANSAS } ss ROOKS COUNTY

This instrument was filed for record in my office at 11:15 o'clock A. M. on this 3 day of October 2003 and is duly recorded in Book 331 of records at page 492

Register of Deeds

NOT WITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LANDS INDIVIDUALLY DESCRIBED ABOVE ARE SET OUT FOR THE CONVENIENCE OF THE PARTIES AND SHALL NOT BE INTERPRETED AS LIMITING THIS GRANT, IT BEING THE INTENT OF THE PARTIES THAT THIS DEED COVER ALL OIL, GAS AND OTHER MINERAL INTERESTS OF EVERY KIND AND DESCRIPTION OWNED BY GRANTOR AND LOCATED IN ROOKS COUNTY, KANSAS, WHETHER OR NOT PARTICULARLY DESCRIBED ABOVE;

2. The "Lands" subject to this conveyance also includes all strips, gores, roadways, water bottoms, and other lands adjacent to or contiguous with the lands specifically described above and owned or claimed by Grantor. If the description above proves incorrect in any respect or does not include these adjacent or contiguous lands, Grantor shall without additional consideration, expense, acknowledge, and deliver to Grantee its successors and assigns, such instruments as are useful or necessary to correct the description and evidence such correction in the appropriate public records.

3. FOR THE SAME CONSIDERATION, Grantor also sells, assigns, transfers, and conveys to Grantee, its successors and assigns, by this deed (i) the rights of ingress, egress, and possession at all times to mine, drill, and explore the Lands for oil, gas, and other minerals, and to produce, store, dehydrate, compress, treat, process, transport, market and remove them from the Lands, and to exercise all other rights lawfully belonging to the oil, gas, and mineral estate; (ii) each valid and subsisting oil, gas, and/or other mineral lease (the "Lease," whether one or more) evidenced in the public records of the above-named county, insofar as it covers the Lands (and this conveyance is made subject to each such Lease, insofar as it covers the Lands), together with all royalties, shut-in royalties, delay rentals paid to extend the term within which operations may be conducted on the Lands, and other rights and interests under each such Lease, insofar as it covers the Lands; (iii) without limitation, all royalties, oil payments, gas payments, production payments, revenues, payments, accounts, suspended funds, refunds, interest on overdue payments, and other things of value payable by any lessee, operator, purchaser of production, seller of production, or other parties or party whatsoever, with respect to any oil, gas, and/or other minerals produced from, or attributable to the Lands before the date of this conveyance (including all such production in any tank, truck, rail car, or pipeline); (iv) all liens and security interests securing the payment of such sums; and (v) all rights, claims, and causes of action of Grantor with respect to such sums, including, without limitation, claims for the underpayment of past royalties; (vi) all of Grantor's future interests and after acquired title in and to the above described mineral and royalty interests, insofar as they cover said Lands.

4. Grantee may, at its option and in addition to any other rights or remedies available to Grantee, pay all or part of any tax, note, or other obligation secured by a lien on the Lands, or any part of them or interest in them. If Grantee ever makes any such payment, or if any production, royalties, delay rentals, or other economic benefits of the estate conveyed by this instrument are ever applied by any lessee, purchaser of production, or other person to pay or discharge, in whole or in part, any tax, note, or other obligation secured by a lien on the Lands, or any part of them or any interest in them, Grantee shall be subrogated to, shall succeed to, and may enforce all of the rights of the affected lien holder to secure the recovery of the amounts paid, together with interest and attorney's fees.

5. Without impairment of Grantee's rights under the warranty in event of failure of title, it is agreed that if this conveyance covers less interest in the oil, gas, sulphur, or other minerals in all or any part of said Lands than the entire and undivided fee simple estate (whether Grantor's interest is herein specified or not), or no interest therein, then the consideration shall be paid only in the proportion which the interest therein, if any, covered by this conveyance, bears to the whole and undivided fee simple estate therein.

6. In this instrument, "including" means "including, but not limited to"; "other minerals" include coal, lignite, uranium, sulphur, iron ore, and every other "mineral" now or hereafter recognized as such under the laws of Kansas; the plural includes the singular, and vice versa; each gender includes the others; and references to "Grantor" includes "Grantors, or any of them".

7. By execution of this instrument, Grantor also authorizes and directs all persons responsible for paying and/or delivering the royalties subject to this instrument (the "subject royalties") to commence paying and/or delivering the subject royalties to Grantee in accordance with this instrument. Grantor warrants and represents to each such person and to that person's heirs, successors, assigns, and legal representatives that prior to making this conveyance, Grantor was the lawful owner of the subject royalties and that Grantor has not heretofore conveyed the subject royalties to any other person. Grantor shall indemnify and hold each person responsible for paying and/or delivering the subject royalties, and that person's heirs, successors, assigns, and legal representatives harmless from and against any lawful claims to the subject royalties by, through, or under Grantor.

8. POWER OF ATTORNEY: Coupled with the interest herein conveyed, Grantor does hereby irrevocably appoint and constitute Cobra Petroleum Company as Grantor's Agent and Attorney-in-Fact for the limited purpose only of executing division orders, transfer orders, correction deeds or conveyances, amendments of description, amendments of Grantor's capacity, including typographical errors, and all other instruments as may be necessary for this conveyance of interest, so that Cobra Petroleum Company may act in Grantor's place and stead for this limited purpose only. Cobra Petroleum Company is also given, through this provision, the authority to correct the description of the property being conveyed, if necessary, to show the actual description of the property as reflected by the County Records in which the property is located. This is a Durable Power of Attorney and is not affected by the subsequent disability or incapacity of the principal.

9. Grantor acknowledges and agrees that Grantee has made no representation or warranty of any kind to Grantor to entice or encourage Grantor to execute this instrument and to receive consideration therefore. Grantor recognizes and acknowledges that the interest herein conveyed may be worth more than the consideration received by Grantor therefore, particularly in the event that drilling or production activity on the interest conveyed herein or in the vicinity thereof proves to be successful. Grantor recognizes and agrees that Grantor has been given the opportunity to ask questions Grantor may desire of Grantee and that the responses thereto given by Grantee were satisfactory to Grantor. If any provision(s) of this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall remain valid.

10. PARTIES AGREEMENT TO MEDIATION AND/OR ARBITRATION: IN THE EVENT OF ANY DISPUTE (AS DEFINED HEREIN BELOW) ARISING OUT OF OR RELATING TO THIS CONTRACT, OR THE BREACH THEREOF, THE PARTIES FIRST AGREE TO PARTICIPATE IN AT LEAST FOUR (4) HOURS OF MEDIATION IN ACCORDANCE WITH THE COMMERCIAL MEDIATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION, BEFORE HAVING RECOURSE TO ARBITRATION. If the mediation procedure provided for herein does not resolve any such dispute, the parties agree that all disputes between the parties shall be resolved by binding arbitration administered by the American Arbitration Association in accordance with its commercial arbitration rules and pursuant to the Federal Arbitration Act, 9 U.S.C. Sections 1-14. Judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction. The term "disputes" shall include, but is not limited to, all claims, demands and causes of action of any nature, whether in contract or in tort, at law or in equity, or arising under or by virtue of any statute or regulation or judicial reason, that are now recognized by law or that may be created or recognized in the future, for resulting past, present and future personal injuries, contract damages, intentional and/or malicious conduct, actual and/or constructive fraud, statutory and/or common law fraud, class action suit, misrepresentations of any kind and/or character, libel, slander, negligence, gross negligence, and/or deceptive trade practices/consumer protection act damages, and for all other losses, damages and/or remedies of any kind and/or character, including without limitation, all actual damages, exemplary and punitive damages, all attorneys' fees, all penalties of any kind, prejudgment interest and costs of suit by virtue of the matters alleged and/or matters arising between the parties. The award of the arbitrator issued pursuant hereto shall be final, binding and non-appealable.

3-8

EXEMPLARY & PUNITIVE DAMAGES: Parties hereby waive any rights to punitive or exemplary damages and the Arbitrator(s) will not have the authority to award exemplary or punitive damages to either party.

11. CHOICE OF VENUE: This contract is performable in Tarrant County, Texas. Any and all claims arising out of Grantor's execution of this contract shall be resolved in Tarrant County, Texas.

12. This instrument may be executed in multiple counterparts. Each counterpart is an original, and all counterparts together are one and the same instrument. This instrument binds each person who executes it, regardless of whether any other person executes it.

13. TO HAVE AND TO HOLD the above-described property and rights, together with all and singular the rights and appurtenances thereto in any wise belonging, unto said Grantee, and the Grantee's heirs, successors, administrators, executors and assigns forever, and the Grantor does hereby bind himself and his, herself and her, itself and its, and/or themselves and their (as the case may be) heirs, successors, administrators, executors, and assigns to warrant and forever defend all and singular, the said property and rights unto the said Grantee, and Grantee's heirs, successors, administrators, executors, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

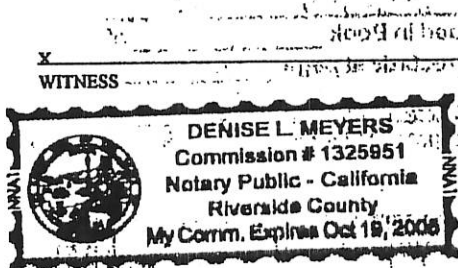
THIS DOCUMENT AFFECTS YOUR LEGAL RIGHTS, PLEASE READ CAREFULLY OR SEEK LEGAL COUNSEL PRIOR TO SIGNING. GRANTOR REPRESENTS AND WARRANTS THAT HE/SHE/IT HAS READ THE ENTIRE CONTRACT, OR HAS HAD IT READ TO HIM/HER/IT AND UNDERSTANDS AND AGREES TO THE TERMS OF THIS CONTRACT.

Witness the following signatures, this 22 day of September, 2003

x Antoinette S Thies 

Denise L Meyers
WITNESS NATHELY PUBLIC

THIES, ANTOINETTE S
S.S. # / TAX I.D. #



S.S. # / TAX I.D. #

THE STATE OF CALIFORNIA X
COUNTY OF RIVERSIDE X

ACKNOWLEDGEMENT

BEFORE ME, the undersigned authority, on this day personally appeared Antoinette S. Thies proved to personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she being informed of the contents of same, executed the foregoing instrument for the purpose and consideration therein expressed and appeared to be of sound mind and under no fraud, duress or undue influence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22 day of September, A.D. 2003

My Commission Expires: 19 Oct. 2005
Denise L Meyers
Notary Signature Here
Notary Public in and for the State of

(Notary seal here)

THE STATE OF X
COUNTY OF X

ACKNOWLEDGEMENT

BEFORE ME, the undersigned authority, on this day personally appeared _____ personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she, being informed of the contents of same, executed the foregoing instrument for the purpose and consideration therein expressed and appeared to be of sound mind and under no fraud, duress or undue influence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, A.D. 20____

My Commission Expires: _____
Notary Signature Here
Notary Public in and for the State of

(Notary seal here)

00.00 / 7.00
08 P

3-9

Pursuant to K.S.A. 79-1437e, a real estate validation questionnaire is not required due to Exemption No. 6

This document prepared by, and after recording please return to:

Cobra Petroleum Company
P.O. Box 136355
Worth, Texas 76136

8.00
7.00
12.00

MINERAL AND ROYALTY DEED

THE STATE OF KANSAS

)
)
)

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF ROOKS

1. That CLEMENT, WILLIAM G hereinafter referred to as Grantor (whether one or more), for Ten Dollars (\$10.00) and other valuable consideration paid by, COBRA PETROLEUM COMPANY, P.O. Box 136355, Fort Worth, Texas 76136, SOUTHWEST PETROLEUM COMPANY, P.O. Box 702377, Dallas, Texas 75370-2377, and S&C PROPERTIES, P.O. Box 601295, Dallas, Texas 75360-1295 hereinafter referred to as Grantee (whether one or more), the receipt of which is hereby acknowledged, has GRANTED, SOLD, and CONVEYED, and by these presents does hereby GRANT, SELL, and CONVEY unto Grantee, (Cobra Petroleum Company, owning 30.00%; Southwest Petroleum Company, owning 60.00%; and S&C Properties, owning 10.00%) its heirs, successors and assigns, forever, subject to the matters stated below, all of Grantor's undivided interest in and to all of the oil, gas, and other minerals, including without limitation, all of the oil royalty, gas royalty, overriding royalty, royalty in casinghead gas and gasoline in, on and under, and that may be produced from, the following lands (the "Lands") in the County of Rooks, State of Kansas, to wit:

ALL OIL, GAS AND OTHER MINERAL INTERESTS OWNED BY GRANTOR IN ROOKS COUNTY, KANSAS, INCLUDING WITHOUT LIMITATION, ALL OF THOSE CERTAIN TRACTS OR PARCELS OF LAND, WELLS, LEASES AND/OR UNITS REFERENCED, DESCRIBED AND/OR PLATTED AS FOLLOWS:

Well/Lease:	Section/Township/Range:	Operator:
COLBURN #3-18 UNIT G RUPP-EGGERS #2-19 UNIT I KOPE UNIT G- #3-13 UNIT E SMITH UNIT E ANSPACH UNIT	Sec -18, Twp = 7, Rng = 17 Sec -18, Twp = 7, Rng = 17 Sec -24, Twp = 7, Rng = 18 Sec -19, Twp = 7, Rng = 17 Sec -, Twp = 7, Rng = 17 Sec -13, Twp = 7, Rng = 18 Sec -13, Twp = 7, Rng = 18 Sec -18, Twp = 7, Rng = 17	CASTELLI EXPLORATION INC ARGENT ENERGY INC LIBERTY OPERATIONS & COMPLETIONS PRIDE ENERGY CO MAHER, THOMAS M ARGENT ENERGY INC MERIT ENERGY PRIDE ENERGY CO

All of

Received for record at 12:15 o'clock P. M. on 15 day
State of Kansas) December 20 03, and recorded in Book 333 of
Rooks County) Records at page 22
Register of Deeds [Signature]

NOT WITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LANDS INDIVIDUALLY DESCRIBED ABOVE ARE SET OUT FOR THE CONVENIENCE OF THE PARTIES AND SHALL NOT BE INTERPRETED AS LIMITING THIS GRANT, IT BEING THE INTENT OF THE PARTIES THAT THIS DEED COVER ALL OIL, GAS AND OTHER MINERAL INTERESTS OF EVERY KIND AND DESCRIPTION OWNED BY GRANTOR AND LOCATED IN ROOKS COUNTY, KANSAS, WHETHER OR NOT PARTICULARLY DESCRIBED ABOVE;

- The "Lands" subject to this conveyance also includes all strips, gores, roadways, water bottoms, and other lands adjacent to or contiguous with the lands specifically described above and owned or claimed by Grantor. If the description above proves incorrect in any respect or does not include these adjacent or contiguous lands, Grantor shall without additional consideration, execute, acknowledge, and deliver to Grantee its successors and assigns, such instruments as are useful or necessary to correct the description and evidence such correction in the appropriate public records.
- FOR THE SAME CONSIDERATION, Grantor also sells, assigns, transfers, and conveys to Grantee, its successors and assigns, by this deed (i) the rights of ingress, egress, and possession at all times to mine, drill, and explore the Lands for oil, gas, and other minerals, and to produce, store, dehydrate, compress, treat, process, transport, market and remove them from the Lands, and to exercise all other rights lawfully belonging to the oil, gas, and mineral estate; (ii) each valid and subsisting oil, gas, and/or other mineral lease (the "Lease," whether one or more) evidenced in the public records of the above-named county, insofar as it covers the Lands (and this conveyance is made subject to each such Lease, insofar as it covers the Lands), together with all royalties, shut-in royalties, delay rentals paid to extend the term within which operations may be conducted on the Lands, and other rights and interests under each such Lease, insofar as it covers the Lands; (iii) without limitation, all royalties, oil payments, gas payments, production payments, revenues, payments, accounts, suspended funds, refunds, interest on overdue payments, and other things of value payable by any lessee, operator, purchaser of production, seller of production, or other parties or party whatsoever, with respect to any oil, gas, and/or other minerals produced from, or attributable to the Lands before the date of this conveyance (including all such production in any tank, truck, rail car, or pipeline); (iv) all liens and security interests securing the payment of such sums; and (v) all rights, claims, and causes of action of Grantor with respect to such sums, including, without limitation, claims for the underpayment of past royalties; (vi) all of Grantor's future interests and after acquired title in and to the above described mineral and royalty interests, insofar as they cover said Lands.
- Grantee may, at its option and in addition to any other rights or remedies available to Grantee, pay all or part of any tax, note, or other obligation secured by a lien on the Lands, or any part of them or interest in them. If Grantee ever makes any such payment, or if any production, royalties, delay rentals, or other economic benefits of the estate conveyed by this instrument are ever applied by any lessee, purchaser of production, or other person to pay or discharge, in whole or in part, any tax, note, or other obligation secured by a lien on the Lands, or any part of them or any interest in them, Grantee shall be subrogated to, shall succeed to, and may enforce all of the rights of the affected lien holder to secure the recovery of the amounts paid, together with interest and attorneys' fees.
- Without impairment of Grantee's rights under the warranty in event of failure of title, it is agreed that if this conveyance covers less interest in the oil, gas, sulphur, or other minerals in all or any part of said Lands than the entire and undivided fee simple estate (whether Grantor's interest is herein specified or not), or no interest therein, then the consideration shall be paid only in the proportion which the interest therein, if any, conveyed by this conveyance, bears to the whole and undivided fee simple estate therein.
- In this instrument, "including" means "including, but not limited to"; "other minerals" include coal, lignite, uranium, sulphur, iron ore, and every other "mineral" now or hereafter recognized as such under the laws of Kansas; the plural includes the singular, and vice versa; each gender includes the others; and references to "Grantor" includes "Grantors, or any of them".
- By execution of this instrument, Grantor also authorizes and directs all persons responsible for paying and/or delivering the royalties subject to this instrument (the "subject royalties") to commence paying and/or delivering the subject royalties to Grantee in accordance with this instrument. Grantor warrants and represents to each such person and to that person's heirs, successors, assigns, and legal representatives that prior to making this conveyance, Grantor was the lawful owner of the subject royalties and that Grantor has not heretofore conveyed the subject royalties to any other person. Grantor shall indemnify and hold each person responsible for paying and/or delivering the subject royalties, and that person's heirs, successors, assigns, and legal representatives harmless from and against any lawful claims to the subject royalties by, through, or under Grantor.
- POWER OF ATTORNEY: Coupled with the interest herein conveyed, Grantor does hereby irrevocably appoint and constitute Cobra Petroleum Company as Grantor's Agent and Attorney-in-Fact for the limited purpose only of executing division orders, transfer orders, correction deeds or conveyances, amendments of description, amendments of Grantor's capacity, including typographical errors, and all other instruments as may be necessary for this conveyance of interest, so that Cobra Petroleum Company may act in Grantor's place and stead for this limited purpose only. Cobra Petroleum Company is also given, through this provision, the authority to correct the description of the property being conveyed, if necessary, to show the actual description of the property as reflected by the County Records in which the property is located. This is a Durable Power of Attorney and is not affected by the subsequent disability or incapacity of the principal.
- Grantor acknowledges and agrees that Grantee has made no representation or warranty of any kind to Grantor to entice or encourage Grantor to execute this instrument and to receive consideration therefore. Grantor recognizes and acknowledges that the interest herein conveyed may be worth more than the consideration received by Grantor therefore, particularly in the event that drilling or production activity on the interest conveyed herein or in the vicinity thereof proves to be successful. Grantor recognizes and agrees that Grantor has been given the opportunity to ask questions Grantor may desire of Grantee and that the responses thereto given by Grantee were satisfactory to Grantor. If any provision(s) of this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall remain valid.
- PARTIES AGREEMENT TO MEDIATION AND/OR ARBITRATION: IN THE EVENT OF ANY DISPUTE (AS DEFINED HEREIN BELOW) ARISING OUT OF OR RELATING TO THIS CONTRACT, OR THE BREACH THEREOF, THE PARTIES FIRST AGREE TO PARTICIPATE IN AT LEAST FOUR (4) HOURS OF MEDIATION IN ACCORDANCE WITH THE COMMERCIAL MEDIATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION, BEFORE HAVING RECOURSE TO ARBITRATION. If the mediation procedure provided for herein does not resolve any such dispute, the parties agree that all disputes between the parties shall be resolved by binding arbitration administered by the American Arbitration Association in accordance with its commercial arbitration rules and pursuant to the Federal Arbitration Act, 9 U.S.C. Sections 1-14. Judgment upon the award rendered by the arbitrator may be entered in any Court having Jurisdiction. The term "disputes" shall include, but is not limited to, all claims, demands and causes of action of any nature, whether in contract or in tort, at law or in equity, or arising under or by virtue of any statute or regulation or judicial reason, that are now recognized by law or that may be created or recognized in the future, for resulting past, present and future personal injuries, contract damages, intentional and/or malicious conduct, actual and/or constructive fraud, statutory and/or common law fraud, class action suit, misrepresentations of any kind and/or character, libel, slander, negligence, gross negligence, and/or deceptive trade practices/consumer protection act damages, and for all other losses, damages and/or remedies of any kind and/or character, including without limitation, all actual damages, exemplary and punitive damages, all attorneys' fees, all penalties of any kind, prejudgment interest and costs of court by virtue of the matters alleged and/or matters arising between the parties. The award of the arbitrator issued pursuant hereto shall be final, binding and non-appealable.

3-11

EXEMPLARY & PUNITIVE DAMAGES: Parties hereby waive any rights to punitive or exemplary damages and the Arbitrator(s) will not have the authority to award exemplary or punitive damages to either party.

11. CHOICE OF VENUE: This contract is performable in Tarrant County, Texas. Any and all claims arising out of Grantor's execution of this contract shall be resolved in Tarrant County, Texas.

12. This instrument may be executed in multiple counterparts. Each counterpart is an original, and all counterparts together are one and the same instrument. This instrument binds each person who executes it, regardless of whether any other person executes it.

13. TO HAVE AND TO HOLD the above-described property and rights, together with all and singular the rights and appurtenances thereto in any wise belonging, unto said Grantee, and the Grantee's heirs, successors, administrators, executors and assigns forever, and the Grantor does hereby bind himself and his, herself and her, itself and its, and/or themselves and their (as the case may be) heirs, successors, administrators, executors, and assigns to warrant and forever defend all and singular, the said property and rights unto the said Grantee, and Grantee's heirs, successors, administrators, executors, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

THIS DOCUMENT AFFECTS YOUR LEGAL RIGHTS, PLEASE READ CAREFULLY OR SEEK LEGAL COUNSEL PRIOR TO SIGNING. GRANTOR REPRESENTS AND WARRANTS THAT HE/SHE/IT HAS READ THE ENTIRE CONTRACT, OR HAS HAD IT READ TO HIM/HER/IT AND UNDERSTANDS AND AGREES TO THE TERMS OF THIS CONTRACT.

Witness the following signatures, this 22 day of September, 2003

William G. Clement
CLEMENT, WILLIAM G
S.S. # / TAX I.D. #

[Signature]
WITNESS

x _____
S.S. # / TAX I.D. #

x Carly Mudd
WITNESS

THE STATE OF Kansas
COUNTY OF Sedgewick

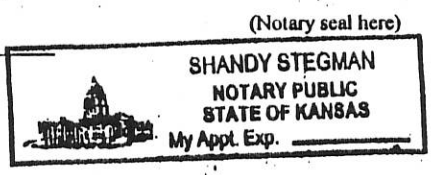
ACKNOWLEDGEMENT

BEFORE ME, the undersigned authority, on this day personally appeared William G. Clement personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she, being informed of the contents of same, executed the foregoing instrument for the purpose and consideration therein expressed and appeared to be of sound mind and under no fraud, duress or undue influence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22 day of September, A.D. 2003

My Commission Expires: 7/27/05

[Signature]
Notary Signature Here
Notary Public in and for the State of



THE STATE OF _____
COUNTY OF _____

ACKNOWLEDGEMENT

BEFORE ME, the undersigned authority, on this day personally appeared _____ personally known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she, being informed of the contents of same, executed the foregoing instrument for the purpose and consideration therein expressed and appeared to be of sound mind and under no fraud, duress or undue influence.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, A.D. 20____

My Commission Expires: _____

Notary Signature Here
Notary Public in and for the State of

(Notary seal here)

Colleen
9.00
4.00
13.00

Pursuant to K.S.A. 79-1437e, a real estate validation questionnaire is not required due to Exemption No. 6

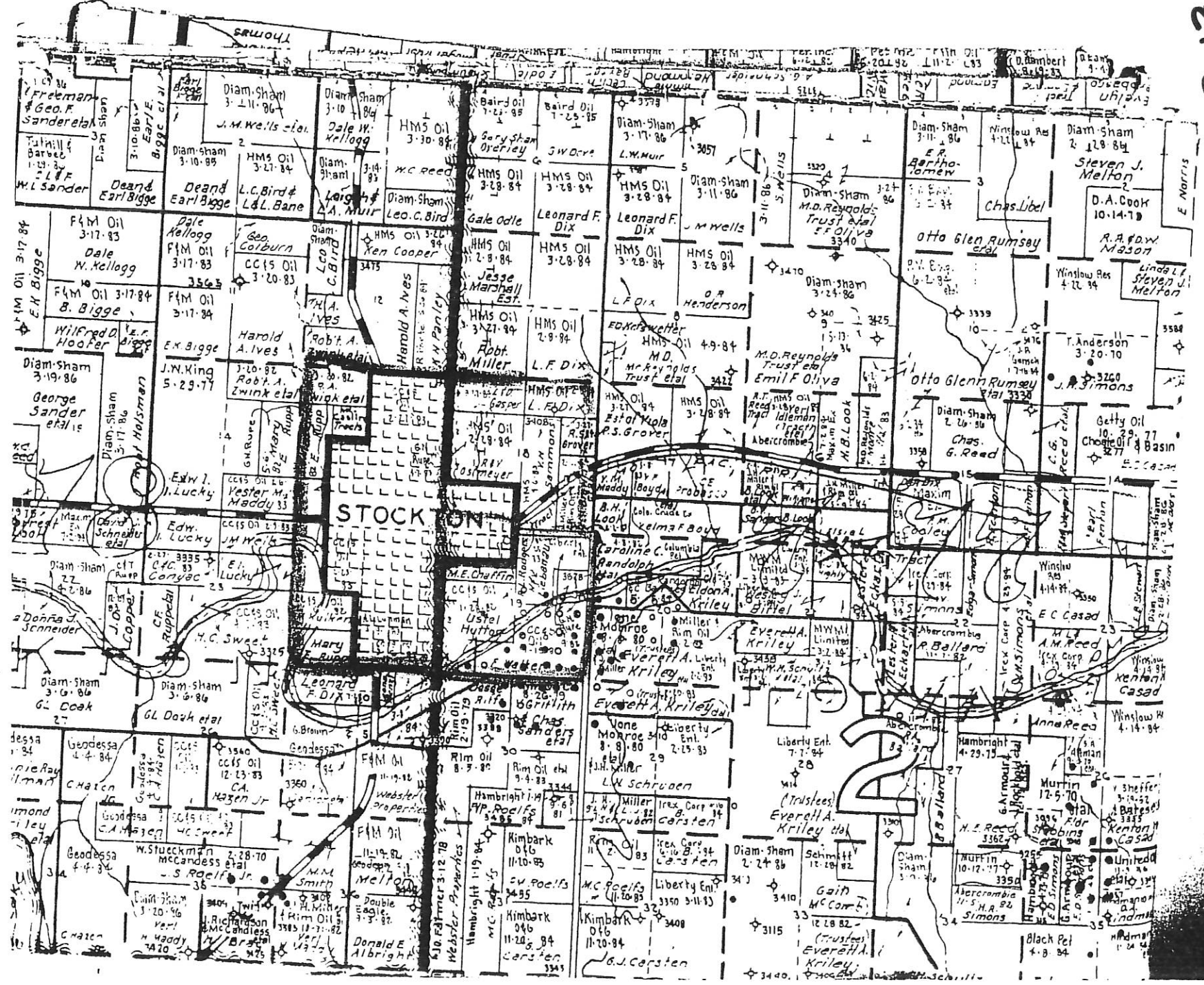
This document prepared by, and after recording please return to:

Cobra Petroleum Company
P.O. Box 136355
Fort Worth, Texas 76136

3-12

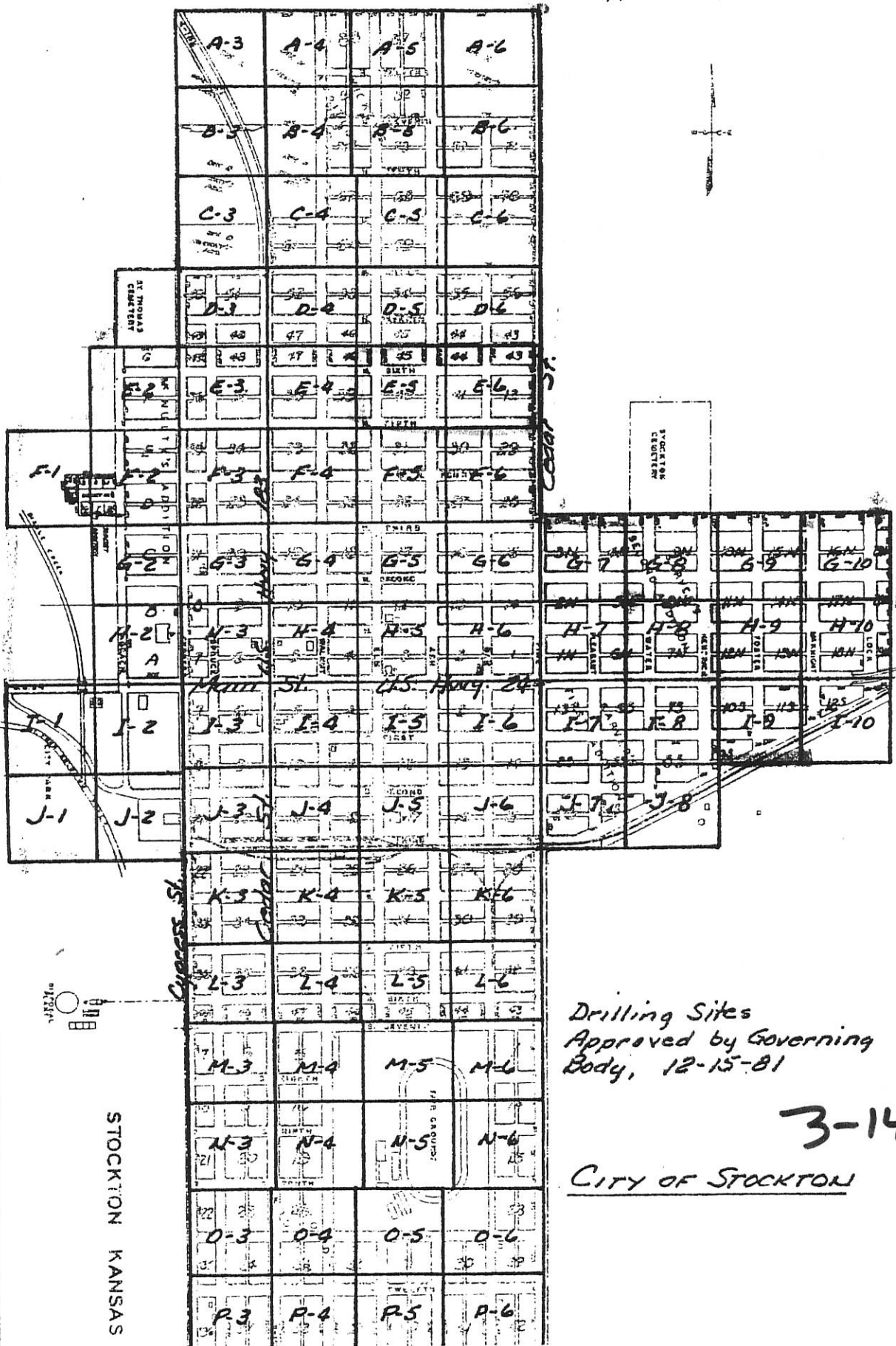
Legal Description on Cobra Head

3-13



Cobra Deal

Actual



Drilling Sites
Approved by Governing
Body, 12-15-81

3-14

CITY OF STOCKTON

STOCKTON KANSAS

CIKANEK LAW OFFICE
P.O. BOX 517
405 Main Street
STOCKTON, KANSAS 67669

January 5, 2004

Glenn Lambert
2060 6 Road
Zurich Rt.
Plainville, Kansas 67663

RE: Cobra Petroleum Company Mineral Deeds

Dear Glenn:

You asked that I outline for you a title problem which I have discovered regarding mineral and royalty deeds prepared by Cobra Petroleum Company. In the process of doing a title opinion for landowners covering a quarter section and an 80 acre tract in the same section, I discovered a blanket quitclaim mineral deed from three different owners. The quitclaim mineral deed quitclaimed the owners interest in all of the section to Cobra Petroleum and two associated companies. The description on the quitclaim deed conveyed an interest in 640 acres. The title examination that I completed did not show that the parties conveying the interest ever had an interest in the quarter section and the 80 that I was doing the title work on. Therefore, their conveyance of all property in the section to Cobra created a cloud on the mineral ownership on the property of my client.

I undertook on November 11th to write Cobra Petroleum and explain to them the title problem that they had created. I have recently followed up another letter requesting that they file a quitclaim release or mineral deed on the quarter section and the 80. To date, they have ignored my request. At the present time, my clients should be enjoying clear title to all of the minerals under the quarter and 80 covered by my opinion. However, due to the filing of the quitclaim mineral deeds, Cobra Petroleum created a cloud on the title.

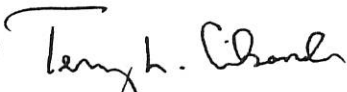
This is a serious matter and it appears to me that Cobra Petroleum has been extremely negligent in their title work. Rather than attempting to convey only the mineral rights on certain properties in a particular section, it appears they have drafted their documents to cover the entire section. Therefore, they have created numerous clouds on title with their reckless descriptions in the quitclaim deeds. It would appear to me that the State should get involved and file some sort of cease and desist suit against them to prohibit them from doing business in the State of Kansas unless they do proper and diligent title work on the conveyances they are dealing with.

3-15

In addition, it would appear to me there should be some sanction for the clouds they are creating on numerous land titles within this county due their poor title work. It is apparent that they are disregarding any request for solving the problems which they have created. I trust this helps outline the situation that presently exists in this county.

Very truly yours,

CIKANEK LAW OFFICE

By: 
Terry L. Cikanek

TLC/dew

3-16

FARMERS MERCHANTS

FARMERS STATE BRANCH

December 30, 2003

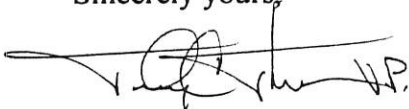
Senator Stan Clark
205 US Hwy 83
Oakley, KS 67748

Dear Senator Clark:

We are writing to express our concern with the actions of a company called Cobra Resources. It has come to our attention that they are purchasing royalty and overriding royalty interests in mineral leases in Graham, Rooks and other counties in Kansas. As they purchase these interests, they file a blanket mineral deed covering the entire section, not just the acres under the lease. This blanket filing impairs the title on all land in said section and effects landowners and mineral owners other than the original seller. Cobra Resources has ignored all requests to release these blanket deeds.

We would appreciate it if you would look into this matter. If you need additional details, please contact our attorney, Terry Cikanek, Stockton, KS, at 785-421-6731.

Sincerely yours,



Timothy C. Thompson
Vice President

3-17

301 W. MAIN
401 MAIN

P.O. BOX 338
P.O. BOX 216

HILL CITY, KANSAS 67642
BOGUE, KANSAS 67625



2905 Vi et
P.O. J6
Hays, KS 67601
785-625-2110
Toll Free: 1-800-369-9625
Fax: 785-625-4309

December 31, 2003

To Whom It May Concern:

This letter is in regards to incomplete and inaccurate documents filed at the Register of Deeds offices at the local county courthouses. For example, we have had several occurrences when a deed is filed on the complete section of land and the grantor only owns an interest in an 80-acre tract within the section. We have also seen mortgages and oil leases filed on land that the grantor has no ownership in the property.

We have found these documents can place an undue hardship on the rightful property owners and mortgage lenders. In most cases, title attorneys require the incorrect document be released or cleared up to make sure no interest is being contested. The rightful owners may sometimes have a difficult time locating and obtaining the correcting paperwork. The additional expenses for attorneys, the paperwork and loss of time usually fall on the rightful property owners. It would be extremely upsetting if the documents were being prepared with the originators knowing the documents were inaccurate.

Anything that can be done to discourage inaccurate documents from being filed and assist with correcting mistakes would be very helpful to property owners and mortgage lenders.

Sincerely,

Charles Schippers
Vice President

CS/ss

3-18



ROOKS COUNTY ATTORNEY
ROOKS COUNTY COURTHOUSE
115 NORTH WALNUT, 3RD FLOOR
STOCKTON, KANSAS 67669

Edward C. Hageman
County Attorney

Phone (785) 425-6371
FAX (785) 425-7124

January 5, 2004

Cobra Petroleum Company
P.O. Box 136355
Fort Worth, TX 76136

via certified mail

Re: Erroneous Legal Descriptions
on Mineral and Royalty Deeds

Gentleman:

It has come to my attention that your company is filing numerous deeds which contain overly broad legal descriptions. These overly broad legal descriptions include not only the land sought to be conveyed but also much adjoining land which the grantor owns no interest in.

For example, enclosed is a copy of a deed from William G. Clement to Cobra Petroleum Company. The deed purports to convey eight (8) leases/wells whose names are shown. However, under the legal descriptions entire sections and in one case an entire township is shown. The leases to be conveyed are City of Stockton Drilling Units and contain only 10 acres each. Thus a legal description covering 640 acres is overly broad when only 10 acres should actually be described.

Because you are clouding the title of land and mineral interests of innocent third-parties, I must ask you to correct the erroneous legal descriptions, immediately. Thank you for your kind attention.

Sincerely,

Edward C. Hageman
Rooks County Attorney

ECH/amc

cc: Ms. Rosalee Sprick, Rooks County Register of Deeds

3-19

Glenn L. Lambert
2060 6 Road
Zurich, KS. 67663

12-17-03

Cobra Petroleum Company
Box 136335
Fort Worth, Texas 76136

Dear Sirs:

I own land in Section 11-9-20 Rooks Co. Kansas. I was checking records at the courthouse and came across a Mineral and Royalty Deed that your company has of record that is incorrect and creating a cloud on the title of other property that I own in said section. This is a request to cause a release to be filed on the SE ¼ of Section 11-9-20 and all other property NOT involved in the transaction. I would appreciate your prompt attention.

Sincerely,

Glenn L. Lambert

cc. GLL file

3-20

Stockton Sentinel

785-425-6354 - FAX: 785-425-7292 Stockton, Kansas 67669
e-mail: stkpaper@ruraltel.net

lot of people out in a big way.

LETTER TO THE EDITOR

Dear Editor:

Some area citizens have received notices from the following oil companies, to-wit: Cobra Petroleum; Southwest Petroleum Company; and S & C Properties.

The notices from these companies are an offer to purchase an individual's royalty or mineral interests and usually describe a particular lease or drilling unit. However, if you read the assignment the owner must sign it states they are actually selling ALL of his/her royalty or mineral interest in Rooks County, not just the property listed.

There is nothing illegal about the offer. Because the offer is somewhat misleading, it is necessary to inform the public. I would urge anyone contemplat-

ing the offer to CAREFULLY review the letter and be sure they are FULLY aware of what exactly they are conveying. If anyone has any question, they should contact his/her attorney before making a final decision.

Thank you for your kind attention.

Sincerely,
Edward C. Hageman
Rooks County Attorney

Rooks Co. youth winners honored at Jr. Livestock Show

■ CONTINUED FROM PAGE ONE

Gelbvieh Breeding Heifer. From Plainville:

• Amy Keas, 15th in class 3, Duroc Market Barrow; and 9th in class 6, Yorkshire Market Barrow.

• Seth Keas, 10th in class 11, Crossbred Market Barrow; and

Graduated

By Grit

A couple of years ago, since possible to hold things far enough away am and

class 8, Crossbred Market Lamb; and 15th in class 7, Crossbred Market Lamb.

KCC to approve DSL service to rural areas

David Kerr, President of SBC Kansas, issued the following statement on September 18. "Late yesterday, SBC Kansas, the Kansas Corporation Commission staff and the Citizens' Utility Ratepayer Board reached an agreement relating to an important broadband investment issue. We commend the KCC staff and CURB for providing the leadership to resolve this issue in a way that benefits Kansans through expanded deployment of high-speed Internet service. It helps signify this state's commitment to delivering the best technology available—expeditiously—and making it available to as many Kansans as possible. We at SBC share that commitment.

"Pending approval by the KCC, SBC's Digital Subscriber Line (DSL) service will be avail-



NOVA NEWSREEL

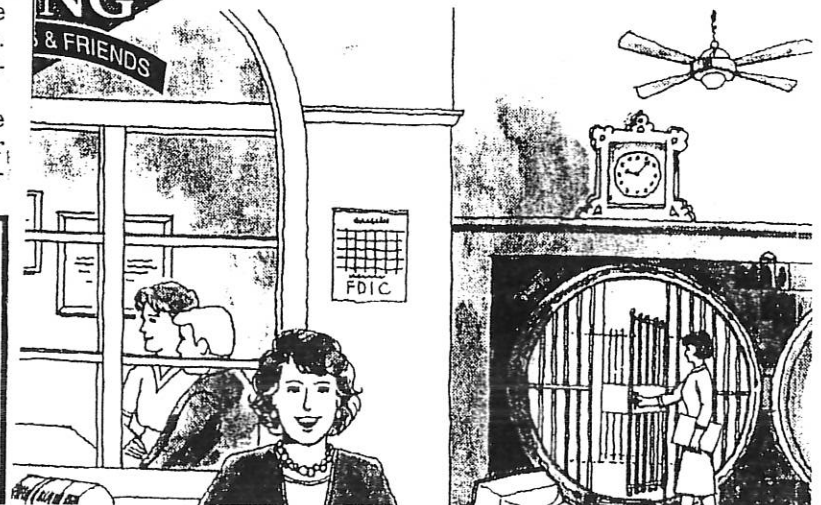
...A Review Of This Weekend's Movie

3-21

A Checking Account is one of the most widely used financial tools available. This year Americans will write more than 70 billion checks.

use people's needs are different, we offer more choices when it comes to checking.

Whether your checking needs are for personal, business, or other uses, come see us. We'll help you choose the right Checking Account.



ARE YOU AN ENTREPRENEUR?

Solomon Valley Regional Learning Center

is taking enrollment for

Fall Entrepreneurship Classes

SMITH-MOORE OVERLEASE Funeral Home

723 North First Stockton, KS 67669 (785) 425-8761

SOUTHWEST KANSAS ROYALTY OWNERS ASSOCIATION

SWKROA IS A PUBLICATION OF THE SOUTHWEST KANSAS ROYALTY OWNERS ASSOCIATION

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October 2002

SWKROA MEMBERS ALERTED TO DANGER OF MINERAL AND ROYALTY DEED OFFERS

From time to time over the years, we have cautioned our members about the need to be alert about offers being made by various investors to purchase minerals in the Hugoton Field. Frequently, such offers have been unrealistically low as to value and, in some instances, misleading and deceptive as to the documents presented to the prospective seller for execution.

In recent months, your Secretary's office has received numerous inquiries from members requesting information about a current offer being made by **Cobra Petroleum Company** of Fort Worth, Texas, to purchase mineral and royalty interests. Members have wanted to know whether the company is legitimate, if the offer is a scam, whether the offer is fair and reasonable, and whether they should sign the deed enclosed with Cobra's letter. Cobra has made solicitations to purchase minerals in at least five counties within the Hugoton Field, namely, **Grant, Hamilton, Haskell, Kearny and Stanton counties.**

Vicki Cole, Hamilton County Register of Deeds, of Syracuse, Kansas, called your Executive Secretary a few days ago also expressing her personal concern about the filing of mineral and royalty deeds that in her judgment are too broad in scope and could cover lands not described in the conveyance.

Cobra's solicitation to purchase minerals has caused enough interest and concern that a news article written by **Kathy Hanks** has recently appeared in the October 8, 2002, issue of The Garden City Telegram under the headline, "**Owners Claim Misdeeds Over Drafts.**" The article indicates that "A difference of opinion in how a mineral and royalty deed should be interpreted has landowners in Hamilton and Kearny counties being urged to seek legal advice before cashing unsolicited bank drafts received in the mail."

In the article **Vicki Cole**, Hamilton County Register of Deeds, **Wayne Westblade**, a Syracuse attorney, and Hamilton County Attorney **Robert Gale** are quoted as saying that the Cobra mineral and royalty deed is misleading as to what it purports to convey. On the other hand, **Mark Beattie**, with Cobra Petroleum and author of Cobra's solicitation letter, claims the conveyance is not trying to take the landowner's property and is only a mineral and royalty deed.

The article also states that the matter has been called to the attention of the Kansas Attorney General's Office. **Mark Ohlemeier**, public information officer with the Attorney General, indicates they will be looking at the document but his office needs time to investigate whether the document can be characterized as a scam.

Observations Relative to Cobra's Offer to Purchase Minerals

We feel it might be of benefit to our members to review and dissect Cobra's offer. In its cover letter to the mineral owner, Cobra states that the company and its partners are currently purchasing mineral and royalty interests in several areas in a particular county and want to purchase the interests owned by the royalty owner and described in the Mineral and Royalty Deed enclosed with the letter. The cover letter specifically provides that "The enclosed deed and draft payment are intended to convey to our company any and all of the mineral interest that you own" in the county described in the cover letter and deed.

Some deeds reviewed by your Secretary describe certain wells in the which the royalty owner owns an interest, the name of the operator, the section, township and range, but in some documents it describes only the section number and fails to list any township and range. Attached to the letter is a 30-day bank draft made payable to the royalty owner in the amount of the offer.

We have found that bank drafts accompanying a letter are confusing to the royalty owner and are often misinterpreted by the royalty owner. He or she may think the draft is a check to be cashed while in fact the draft only represents an offer submitted by the company to purchase the minerals but the draft does not become money until the conveyance is approved by the purchaser and authorization given by the purchaser to its bank to clear the draft within a given number of days. In this instance, Cobra has 30 days in which to approve title after arrival of the draft at the collecting bank before the draft becomes money to the royalty owner.

An examination of the proposed mineral and royalty deed presented by Cobra with its cover letter reveals

in various provisions which would be considered objectionable as far as the mineral owner is concerned. These objectionable provisions are listed as follows in the order in which they appear in the conveyance but not necessarily in the order of importance to the mineral owner:

1. **The name of the Grantee to whom the mineral owner would be conveying his or her interest includes not only Cobra Petroleum Company owning 34.00%, but Southwest Petroleum Company, 51.00%; S&C Properties, 5.00%; and Barbara L. Wiley, 10.00% as well.** If a landowner owns a small fractional mineral interest, this means the interest is divided into even smaller interests and will be a nightmare for the local county authorities and the gas companies to figure out how to assess these small interests for tax purposes and to whom royalties should be paid. Also, it would add to the cost of abstracting and title examination with so many small interest owners to identify in the chain of title.

2. The mineral and royalty deed purports to be a mineral and royalty conveyance only but the instrument provides that the conveyance includes, as shown in bold print in the deed, **"ALL LANDS OWNED BY GRANTOR IN COUNTY, KANSAS, INCLUDING WITHOUT LIMITATION, ALL OF THOSE CERTAIN TRACTS OR PARCELS OF LAND REFERENCED, DESCRIBED AND/OR PLATTED AS FOLLOWS:"**

The deed then lists the well/lease name, the section/township/range, and the operator in some instances but in some of the deeds examined by the author, Cobra fails to list the township and range, as stated above, thus obviously creating a cloud on the title on any township and range within the county other than the township and range within which the well is located. **The Cobra deed does not specifically describe a mineral interest but only a royalty interest at best.**

The question arises as to whether the deed purports to cover only a royalty interest and not a mineral interest. If the intent is to cover a mineral interest, the instrument must describe not only the section, township and range but the fractional quarter section as well. **Otherwise, a cloud on the title has been created on the entire section in which the mineral interest is located. The expense of removing the cloud on title could be more than the purchase price offered for a particular tract.**

Secretary's Note: In Kansas, a royalty interest is considered personal property and can be transferred by assignment without the necessity of recording the conveyance. However, minerals in Kansas are considered real property and must be transferred by deed. If an instrument describes an interest in a certain well or

lease, it would seem that the intent is to convey a royalty interest only unless the instrument describes the specific quarter section, the section, township, and range, and the fractional mineral interest therein owned.

For example, an instrument that describes the interest as "1/8th royalty or .031250 royalty in Section 15-31S-38W, Stevens County, Kansas," conveys only a royalty interest. An instrument that described the interest as being "all the oil, gas and other minerals lying in and under the SE/4 of Section 15-31S-38W, Stevens County, Kansas," obviously properly describes a mineral interest.

3. Perhaps the most misleading and objectionable provision in the deed is the paragraph immediately below the legal description which reads as follows:

"NOT WITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LANDS INDIVIDUALLY DESCRIBED ABOVE ARE SET OUT FOR THE CONVENIENCE OF THE PARTIES AND SHALL NOT BE INTERPRETED AS LIMITING THIS GRANT, IT BEING THE INTENT OF THE PARTIES THAT THIS DEED COVER ALL LANDS OF EVERY KIND AND DESCRIPTION OWNED BY GRANTOR AND LOCATED IN (NAME OF COUNTY), KANSAS, WHETHER OR NOT PARTICULARLY DESCRIBED ABOVE." (Emphasis ours).

Thus, if a person owns the surface of the particular tract or tracts described in the deed or owns an interest in the surface and/or mineral interests in other lands in the county, **it seems quite clear that the conveyance would include all lands, both surface and minerals, owned by the seller in the county without additional consideration.** It does not seem possible to arrive at any other conclusion.

4. The next provision in the deed verifies the intent of the parties to say that "lands" subject to the conveyance also includes all strips, gorges, roadways, water bottoms, and other lands adjacent to or contiguous with the lands specifically described. It further provides that Grantor, **without additional compensation**, shall execute such instruments as may be necessary to correct the description.

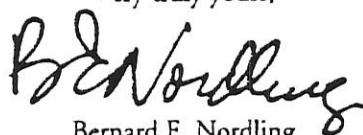
5. The next provision gives the Grantee, among other things and **without additional consideration**, the right to all royalties, suspended funds, and any and all payments of whatsoever kind due and payable to the Grantor (landowner) **prior to the conveyance**, including claims for underpayment of past royalties. **This provision would preclude, for example, the seller from receiving the benefits resulting from royalty class litigation currently pending against several major companies operating in the Hugoton Field for underpayment of royalties if such litigation is**

successful. It is also possible the producer may be holding suspended royalties on a new well while waiting on division orders to be circulated or for title work.

6. The conveyance is not just limited to oil and gas but includes coal, lignite, uranium, iron ore, and every other "mineral" now or hereafter recognized as such under the laws of Kansas! Surely, the royalty owner would not intend to sell more than an interest in oil and/or gas so it is hard to understand why the deed is so overreaching.
7. By the deed, the Grantor (landowner) gives Cobra Petroleum a power of attorney to execute on behalf of the Grantor any division or transfer order, corrective deeds, amendments of description, and any other instruments necessary to reflect the property conveyed. This obviously could be a dangerous provision as well as those provisions above.
8. In the event of litigation, the contract provides that "any and all claims shall be resolved in Tarrant County, Texas." In other words, the landowner, upon signing the deed, has agreed that any disputes over the conveyance must be litigated in Texas and not in the county in which the property is located.

There are other provisions in the deed subject to question but the ones listed above should call attention to the danger of executing any document without reading the fine print and fully understanding its terms. The deed does caution the Grantor to read the document carefully or seek legal counsel prior to signing but an instrument should not be so misleading and difficult to understand the true intent of the parties.

The bottom line is that it is important for you to understand fully what you are signing and by far the best way to do that is to seek the advice of your attorney on matters affecting your mineral and royalty interest. Otherwise, you may later regret having signed a given document which takes away rights you did not intend to convey, requiring you to have to litigate the matter to establish the true intent of the parties with reference to the conveyance.



Bernard E. Nordling
Assistant Executive Secretary

3-24

My name is David Nickel. I am an attorney at law. I am here on behalf of the Kansas Independent Oil and Gas Association (KIOGA) regarding the proposed amendments to Senate Bill 331.

KIOGA generally supports legislation which aids in the maintenance of clean record title pertaining to mineral and royalty interests, through the recording of proper instruments in the offices of the Register of Deeds in Kansas. However, after brief analysis of the proposed amendments to Senate Bill 331, KIOGA believes that these proposed amendments may be problematic.

Indeed, KIOGA particularly notes that the language in Section 1 could be interpreted by Kansas courts to void deeds which contain particular legal descriptions or contain sufficient reference to prior recorded instruments so that a title examiner can locate all interests being so conveyed by a grantor, merely because the deed may contain a recital or a provision (intended only to be binding between the grantor and grantee) that all of the grantor's interest is being conveyed to the grantee. There are times when clauses known as "catch-all" or "mother hubbard" clauses are inserted in instruments for legitimate purposes and are indeed recognized as binding under the law. The provision to void all deeds with "catch-all" clauses may invite more uncertainty and litigation in the Kansas courts than would occur under the current status of the law. Moreover, not all counties in Kansas use a tract or numerical index. Some counties use grantor/grantee indexes to record instruments filed in the office of the Register of Deeds. Finally, this provision is proposed to be retroactively applied to January 1, 2000. People and entities that deal in commerce need certainty as to how the law will affect their contracts and dealings. To change the application of the law retroactively would be to upset those expectations.

With respect to Section 2, the parties to a mineral or royalty deed already have the legal right to seek redress, if the mineral or royalty deed inaccurately, incorrectly or insufficiently describes the property intended to be conveyed. KIOGA does not believe it necessary to affect these legal rights

Thank you for considering my thoughts on the proposed amendments to Senate Bill 331.

Senate Utilities Committee
February 12, 2004
Attachment 4-4