

MINUTES OF THE Senate COMMITTEE ON Local Government

The meeting was called to order by Senator Don Montgomery at  
Chairperson

9:10 a.m./~~p.m.~~ on March 28, 1988 in room 531-N of the Capitol.

All members were present except:

Committee staff present: Mike Heim, Emalene Correll, Theresa Kiernan and Lila  
McClaflin

Conferees appearing before the committee:

Doug Moshier, Asst. City Attorney, Wichita, Ks.  
Jim Kaup, The Kansas League of Municipalities  
John Torbert, Executive Director, Kansas Association of Counties  
Representative Mary Jane Johnson  
Bill O'Brien, County Treasurer's Association  
Shirley Mackender, County Clerk's Association  
Harris G. Terry, McPherson County Sheriff  
Tom Groneman, Chairman, Legislative Committee, Kansas Register of  
Deeds Association

The Chairman opened the hearing on H.B. 2669, relating to the acquisition of fee title to certain realty. The bill was introduced by the Sedgwick County delegation. The Chairman called on Doug Moshier.

Doug Moshier, Assistant City Attorney, Wichita, presented testimony prepared by Thomas R. Powell, Director of Law, they believe there is a need for the bill since under current law a city cannot acquire fee title "up front" when the permanent easement is acquired. The bill will bring about a cost savings for cities (Attachment I).

Concern was expressed by a member of the committee, that individuals be compensated sufficiently when their land is condemned. Mr. Moshier stated private citizens are usually paid very well when their land is taken.

Jim Kaup, The Kansas League of Municipalities, stated they have a formal statement of supporting this bill. They do not think private property owners could lose under this law.

The hearing on H.B. 2669 was closed.

The Chairman opened the hearing on H.B. 2797. This bill relates to political and taxing subdivisions of the state, concerning procedures for the consolidation of operations and procedures and functions of such offices and agencies. The Chairman called on John Torbert.

John Torbert, Kansas Association of Counties, presented written testimony supporting H.B. 2797. He recommended four areas they would like to see amended (Attachment II). He responded to questions regarding these changes.

Representative Mary Jane Johnson explained why the amendments were added in the House.

Bill O'Brien, County Treasurer's Association, spoke in support of the bill; it would go far in the check and balance system.

Shirley Mackender, County Clerk's Association, Chairman of Legislative Committee, presented written testimony supporting H.B. 2797. They strongly support the concept that if a consolidation of elective offices is planned the voting public should be notified and a public hearing should be held, so they can voice their concerns (Attachment III).

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Local Government,

room 531-N, Statehouse, at 9:10 a.m./~~p.m.~~ on March 28, 1988

Harris G. Terry, McPherson County Sheriff, presented written testimony in support of H.B. 2797. He stated this bill would clear up the current statutes and that he supported the recommendations made by the Kansas Association of Counties (Attachment IV).

The hearing was closed on H.B. 2797.

The hearing on H.B. 2767 relating to counties; concerning fees charged for the recording or filing of certain documents with the Register of Deeds was opened. The Chairman called on Representative Mary Jane Johnson.

Representative Mary Jane Johnson spoke in support of the bill, she stated the Kansas Register of Deeds Association had requested the bill. She recommended in line 31 "\$5.00" be amended to "\$6.00."

Tom Groneman, Chairman, Legislative Committee Kansas Register of Deeds Association, presented written testimony. They believe the requirements set out in this bill are necessary to enable the Register of Deeds to maintain the integrity of the records kept in their offices (Attachment V). They supported the amendment proposed by Representative Johnson.

John Torbert, representing the Association of Counties, stated the language that they had been concerned with had been deleted.

Senator Mulich moved the bill be amended on line 31 to "\$6.00".  
Senator Ehrlich seconded the motion. Motion carried.

Senator Mulich moved H.B. 2767 be passed as amended. Senator Gaines  
seconded the motion. Motion carried.

The next meeting will be on March 29, 1988. The Chairman adjourned the meeting at 10:00 a.m.

  
Chairman, Senator Don Montgomery

Date: March 28, 1988

## GUEST REGISTER

## SENATE

## LOCAL GOVERNMENT

NAME	ORGANIZATION	ADDRESS
John Conard	Governor	Topeka
Penny Goetz	So. Div. Co. Commission	3000 W. 1st St. So. Div.
Nancy Welsh	County Treasurer	Douglas County
Sue Winstyler	Register of Deeds	Douglas County
Leslie Anderson	County Clerk	McPherson County
Harris Terry	Sheriff	McPherson County
Wm. E. O'BRIEN	TREASURER	JOHNSON COUNTY
Marla J Howard	City of Wichita	Wichita
Mary B. Jadesie	Wich. County Dea.	—
Eldena Glasgow	Reg. of Deeds	Cowley County
Lee May Moore Jenson	Reg. of Deeds	Lea County
Glady Mch.	Reg. of Deeds	Rice County
John Torbert	KAC	Topeka
Steven Flint	Smith Co. Rep	Smith Center
Judith S. Brandt	Neosho Co. R.O.D.	Eric, Kans -
Genevieve Phillips	Visitor	Eric, Kas
Patty Jaisin	County Clerk	Douglas County
Charles Randall	President So. Co. Clerk's Assn. Marshall Co. Clerk	Marysville, Mo
Robin Finckham	Register of Deeds	Marysville, Kas
George Roberts	Shawnee County Treasurer	Joplar, Kas
Cathy McDonald	Shawnee County Clerk	Topeka Kas
Shelby Mackenda	Clay County Clerk	Clay Center, Co.



# WICHITA



DEPARTMENT OF LAW

March 21, 1988

The Honorable Don Montgomery, Chairman  
Senate Local Government Committee  
State Capitol Building  
Topeka, Kansas 66612

Re: House Bill No. 2669

Ladies and Gentlemen:

Your Committee has pending before it House Bill No. 2669. This Bill, if passed, would amend K.S.A. 1987 Supp. 12-16,103 to permit cities to condemn, purchase or receive by way of dedication or gift, fee simple title to property in which the City intends to acquire a permanent easement. The statute as presently drafted permits a city to acquire the underlying fee title to property in which it already holds a permanent easement. This can be accomplished by condemnation, purchase, dedication or gift. The statute does not presently permit a city to acquire fee title "up front" at the time the permanent easement is acquired.

The City of Wichita supports House Bill 2669 and the proposed amendment to K.S.A. 1987 Supp. 12-16,103. The basis for this support is in the net savings the City believes it will realize in its property management function in future years. As the law exists today, the City can only acquire a permanent easement for necessary street, drainage or flood control right-of-way. It cannot acquire fee simple title in right-of-way necessary for those public purposes. In reality, however, if the City resorts to condemnation to acquire such permanent easements, it ends up paying for them as if it were acquiring fee simple title. This is because the courts are unable, when the duration of the City's need for such easement is indeterminable, to assign any economic value to the reversionary rights of the property owner from whom the permanent easement is taken. Such a result is probably as fair as the courts can be to both the City and the property owner in these circumstances.

(Attachment I) Local Go 3/28/88

(A1)

The Honorable Don Montgomery  
March 21, 1988  
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However, unfairness enters the picture when the City decides that it no longer needs the easement for the purpose for which it was acquired. Because of the reversionary interest of the property owner from whom the easement was acquired, the City has nothing to sell or dispose of at this point because its interest disappears by operation of law and reverts to the holder of the reversionary interest who then has reacquired fee title. More often than not, this amounts to a windfall for the holder of the reversionary interest. Such interest holder has either already received full payment from the City for the land or is a successor in title who is probably unaware that he holds any reversionary interest and certainly has never paid any additional consideration to acquire such an interest.

For the City to recoup any of its acquisition costs for these easements, it must have the ability to sell the property when it no longer needs it for a public purpose. To do so, it must be able to pass fee simple title. At present, to merge the underlying fee and the City's easement interest, the City must negotiate with the owner of the reversionary interest. This results, in almost all cases, in the City having to expend additional money to acquire fee simple title, both through additional monies paid to the reversionary owner and the administrative costs and expenses for a second condemnation proceeding. Under the provisions of House Bill 2669, the City would have the option of deciding, at the time of acquisition, whether it wished to acquire fee simple title. It is important to note that the City would still be constrained by the requirement that it could only acquire lands necessary for a stated public purpose. House Bill 2669 does not expand the scope of a city's power of eminent domain but merely the nature of the title that a city can acquire when it exercises that power.

The benefits of this change in the law may very well not be felt by cities in the near future. However, in the long run cities will, because of this change, be in a position to release surplus land into the marketplace. This not only benefits the city by allowing it to recoup some portion of its acquisition costs, but also the public by making this surplus land available to the greatest number of prospective developers.

In summary, the City of Wichita strongly supports the enactment of House Bill 2669. The Bill represents an opportunity for cities to better manage the acquisition, use and disposition of public lands. The provisions of the Bill do not encroach at all

The Honorable Don Montgomery  
March 21, 1988  
Page 3

on the rights of private property owners who remain entitled to just compensation for the city's acquisition of interest in their real property.

Very truly yours,

  
Thomas R. Powell  
Director of Law

TRP:cdh

# Kansas Association of Counties

*Serving Kansas Counties*

212 S.W. Seventh Street, Topeka, Kansas 66603 Phone (913) 233-2271

March 28, 1988

To - Members, Senate Local Government Committee

From - John T. Torbert, Executive Director  
Kansas Association of Counties

Subject - House Bill 2797

The Kansas Association of Counties is in support of HB 2797. It is the number three legislative priority of this association.

There has been discussion in several counties about eliminating certain elected officers by combining them with other offices. Our request for the bill originated with a special association committee appointed by our President last year. That committee consisted of a treasurer, clerk, register of deeds and commissioner. The committee had a general concern that if such proposals are being considered, the law should be very specific in requirements for public hearings, notice of these hearings and in the ability of the public to state their opinions before the matter is put to a vote. The Association committee's response to these concerns is embodied in HB 2797 and was strongly endorsed by our entire membership last fall.

HB-2797 is not meant to be an impediment to the reorganization process. It is simply a guarantee that there will be substantial public input allowed before a vote is taken that might have a large impact on the form and function of county government. County government is very much a part of the tradition and history of our state and changes in it should not be considered or acted upon in a cavalier fashion. This legislation is designed to ensure that doesn't happen.

You will note that the house made several changes in the bill from the original version. Our recommendation, with reference to the house changes, is as follows;

- 1) Return the bill to the original language requiring three hearings
- 2) Retain the language requiring notice of hearing to be published in a general circulation newspaper
- 3) Retain the language which requires that the elimination of any office would only become effective when the normal term of that office expires.
- 4) Make the bill effective on publication in the Kansas Register.

The Association does not have specific policy with respect to a consolidation election being held only in a gubernatorial election year although I think our preference would be that the language be retained.

(Attachment II) Local Go 3/28/88



CLAY COUNTY CLERK

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Box 98

Clay Center, Kansas 67432

Phone 632-2552

March 28, 1988

Senator Don Montgomery  
Chairman of Local Government  
and Committee Members

Thank you for giving me the opportunity to express our support for HB 2797.

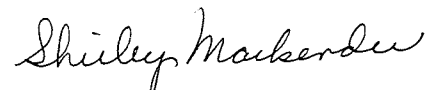
Our governmental system and country is based on the electoral process and this process should be preserved at all costs. The statutory duties of elective offices should be protected.

We strongly support the concept that if a consolidation of elective offices is planned the voting public should be notified by written publication and notice of hearing so their concerns can be voiced.

Due to the fact that a larger percent of the voting public will vote in a General Election we support the amended bill that an issue as important as consolidation should be voted on in a General Election rather than a special election. The cost factor is also a consideration to be studied for a special election.

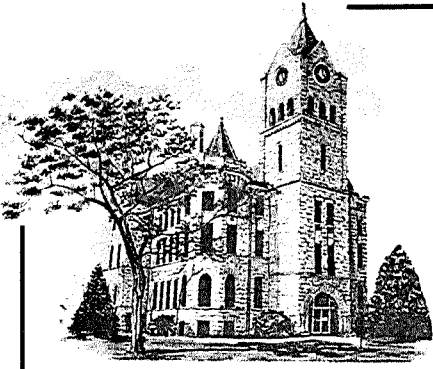
The issue of duplication of offices has been raised by some county governing bodies stating the need to consolidate various elective offices. We feel that the need for a checks and balance method of control is essential even though some may perceive it to be duplication.

We respectfully ask for your support of HB 2797.



Shirley Mackender  
County Clerk's Association  
Chairman of Legislative  
Committee

(Attachment III) Local Go 3/28/88



## McPherson County, Kansas

TESTIMONY  
BEFORE THE  
SENATE LOCAL GOVERNMENT COMMITTEE

BY

HARRIS G. TERRY, McPHERSON COUNTY SHERIFF AND  
IMMEDIATE-PAST PRESIDENT KANSAS SHERIFF'S ASSOCIATION  
MARCH 28, 1988

House Bill No. 2797 addresses issues pertinent to County Reorganization with respect to Article 30 of Chapter 12 of the Kansas Statutes Annotated.

The current statutes on County Reorganization does not address at least three issues that concern my association and me as elected officials.

1. No set dates for voting on the issue provided for except for the manner provided by the general bond law. (KSA 12-3903)

2. Does not address when an elected officials office would be terminated.

3. Does not require the Board of County Commissioners to allow for citizen, affected individuals or affected government agencies input prior to their voting on a resolution. The exception to government agencies approval is discussed in KSA 12-3906.

The Kansas Sheriff's Association and I support the recommendations of the Kansas Association of Counties.

1. Any elections called and held pursuant to KSA 12-3903 on the question of the elimination of an elective office shall be held only in conjunction with the regular non-presidential election.

2. Any proposed reorganization plan that eliminates an elective office should coincide with the normal termination of the elected officer's term.

3. A reorganization shall not be voted on by the county governing board until special public hearings have been held to discuss the reorganization plan. Affected individuals, state and local government agencies shall be notified of the hearings and be given the opportunity to provide input.

The provision contained in this bill will clear up the current statute when a resolution can be voted upon, when an eliminated office holders term would end and more public input before being voted upon by the County Governing Board.

The Kansas Sheriff's Association and I respectfully request your support for House Bill No. 2797.

*(Attachment IV)*

Harris G. Terry  
Sheriff

(Attachment IV) Local Go 3/28/88

McPherson County Sheriff

Box 428/319 N. Maple

McPherson, KS 67460

(316) 241-2720

Larry G. Powell  
Undersheriff

March 28, 1988

To: Senate Local Government Committee

Fm: Tom Groneman, Chairman Legislative Committee,  
Kansas Register of Deeds Association

Re: House Bill #2767

Mr. Chairman, members of the committee, my name is Tom Groneman, I am the register of deeds from Wyandotte County and Chairman of the legislative committee of the Kansas Register of Deeds Association. I am here today to ask for your support of H.B. #2767. This bill was requested by the Kansas Register of Deeds Association with the intent to update certain fees collected by the register of deeds, correct problems we have with certain documents presented for recording and to create a special user fee to be used for the improvement of the register of deeds office. The \$1 per instrument user fee turned out to be somewhat controversial and was stricken from the bill after debate on the floor of the House of Representatives.

Recording fees in the register of deeds office were last raised in 1976. Since that time office budgets have more than doubled in most counties. (attachment 1) After reviewing fees charged by surrounding states we feel that the proposed recording fees are not unreasonable and would bring us more in line with the cost of operating our offices. Also, with the deletion of the user fee, we ask that you consider amending H.B. #2767 to raise the fee for recording the first page of a document (line 27) from \$5.00 to \$6.00.

In addition to the fees this bill addresses certain problems we are experiencing with documents presented for recording. These problems are 1) documents without space for the necessary recording information 2) documents with print so small that after microfilming they cannot be reproduced and 3) documents that are illegible. We believe that the requirements set out in this bill are necessary to enable the register of deeds to maintain the integrity of the records kept in our offices. (copies attached)

If you have any questions I will be held to try and answer them for you at this time.

(Attachment V) Local Go 3/28/88

(AV)

# I

	1977 Budget	1977 Fees	1987 Budget	1987 Fees	1987 \$5/2	1987 \$6/2
Wyandotte County 23,237	109,191	120,636	206,673.	154,794	216,456	239,693
Finney County 5357	29,000	34,992	65,715	39,147	51,055	56,312
Neosho County 3,572	19,000	15,456	45,625	19,753	25,167	28,739

## II

	1st/addl	1p	2p	3p	4p
Kansas	\$5/\$1	5.00	6.00	7.00	8.00
Iowa	\$5/\$5	5.00	10.00	15.00	20.00
Okla	\$8/\$2	8.00	10.00	12.00	14.00
Neb	\$5/\$5	5.00	10.00	15.00	20.00
Colo	\$3/\$3	3.00	6.00	9.00	12.00
Mo	\$5/\$3	5.00	8.00	11.00	14.00
Kansas	\$5/\$2	5.00	7.00	9.00	11.00
Kansas	\$6/\$2	6.00	8.00	10.00	12.00

The United States of America, as owner and holder of the following-described lien instrument(s), made and executed by  
James E. Wells and Joyce A. Wells of  
Galesburg, KS 66740, County of Neosho, State of  
Kansas, filed or recorded in the Register of Deeds office of  
Neosho County, State of Kansas, to wit:

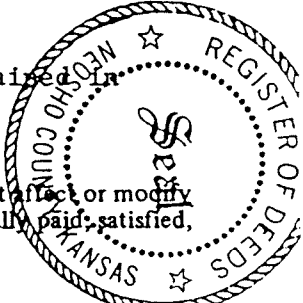
Lien Instrument	Mortgagee	Date of Instrument	Date Filed	Document, File or Book No.	Page No.
Real Estate Mortgage	Farmers Home Administration	August 20, 1974	August 21, 1974	180	295-297

for value received does release from the lien of said instrument(s) the following-described property (describe property in detail):

The Northeast Quarter (NE/4) of Section Six (6), Township Thirty (30), Range Nineteen (19) East of the 6th P.M., less tract condemned for County road purposes.

This instrument is executed pursuant to delegation of authority contained in 7 C. F.R. 1900-1 - 1900.5, inclusive.

Only the above-described property is released from the lien of the aforesaid instrument(s). This release shall not affect or modify the obligations secured by those lien instrument(s), and these obligations shall continue in force and effect until fully paid, satisfied, and discharged.



IN WITNESS WHEREOF, the United States of America has signed this form on the 25

day of November, 1987.

UNITED STATES OF AMERICA

WITNESSES: \_\_\_\_\_

By Dale W. Yager  
Dale W. Yager, County Supervisor  
Title Farmers Home Administration  
United States Department of Agriculture

STATE OF KANSAS, NEOSHO COUNTY, SS  
ENTERED AND FILED IN VOL. 222 PAGE 23667  
11-30-87 9:05 AM  
REGISTER OF DEEDS

STATE OF KANSAS  
COUNTY OF CRAWFORD ss:

ACKNOWLEDGMENT

On this 25 day of November, 1987, before me, the subscriber, a

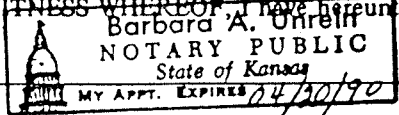
Notary Public

(Title of officer)

Dale W. Yager, known to me to be County Supervisor

Farmers Home Administration, United States Department of Agriculture, and the person who executed the foregoing instrument, and he/she acknowledged to me that he/she executed the same as the free act and deed of the United States of America, for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal at Girard, Kansas



[SEAL]

the day and year aforesaid.

Barbara A. Unrein  
Barbara A. Unrein (Signature)  
Notary Public (Title)

My appointment expires April 20, 1990  
(To be filled in if certifying officer is a notary public)

AFFIDAVIT OF NONDEVELOPMENT AND NONPAYMENT OF RENTAL



Recorder No 09-203



STATE OF Kansas }
County of Pottawatomie } ss.

Edward C. Moore

, being first

duly sworn, deposes and says:

That Gerald L. And Patricia A. Adams are the present owner of the

That part of the East Half of the SE 1/4 of Section Four, Township Five South, Range Nine East of the 6th PM in Marshall County, Kansas, that lies North of Highway 99, Containing 66 Acres more or less

of Section 4, Township 5, Range 9E in Marshall County, Kansas, which land is described in an oil and gas mining lease executed on 1st day of June 1939

by Fred W. Eastman

as lessors, and Travelers Insurance Company

as lessee, recorded in Book 233, Page 268, in the office of the Register of Deeds of said county. and Book 232, Page 472

That since the date of said lease there has been no well drilled upon said land, nor any oil or gas produced therefrom, and that none of the rentals accruing under and by virtue of the terms of said lease have been paid or tendered to affiant or said lessors, or to any bank for their credit, by the lessee, or his agents

or assigns, since none

and further that the lessee and his assigns had actual notice that rentals were payable to affiant under said lease. Affiant states that he has not at any time executed any extension of said original lease, and that the same has expired.

Affiant further states that by reason of the noncompliance with the terms of said lease by lessee and his assigns, affiant hereby declares said lease forfeited, and will not, by acceptance of rentals, or in any other manner, recognize the same as a valid or existing lease.

Handwritten signature of Edward C. Moore

Edward C. Moore

STATE OF Kansas }
County of Pottawatomie } ss.

Edward C. Moore, President

, being first duly

sworn deposes and says that he is President of the Farmers State Bank Bank of

Westmoreland, Ks

and that the records of said Bank show no rentals

have been at any time deposited in, or tendered to, said Bank under terms of the oil or gas mining lease above described for the credit of the person who made the above affidavit or the lessor in said lease since

Handwritten signature of Edward C. Moore

Edward C. Moore

ACKNOWLEDGMENT

STATE OF Kansas }
COUNTY OF Pottawatomie } ss.

BE IT REMEMBERED, That on this 9th day of February in the year of our Lord one thousand nine hundred and Eighty eight, before me, a Notary Public in and for said County and State, came Edward C. Moore and

to me personally known to be the identical person who executed the above and foregoing instrument, and who each duly acknowledged the execution of the same.

In Witness Whereof, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.

My commission expires 4-30-88

Handwritten signature of Stephen M. Ebert

Notary Public



STATE OF KANSAS, Marshall County
Filed & Recorded Feb. 10, 1988, 10:35 a.m.
Book 346 Page 508
Linda Fincham, Register of Deeds by
Allene Rhodes, Deputy \$5.00
Ret. Farmers St. Bk., Westmoreland 66549

NUMBER 2
ALPHA
COPIED
FILMED
PROOF
ORIG. COMP

BOOK 346 PAGE 508

VII

BOOK 3237 PAGE 288

1/06397

NO 3134 MAY 571

PARKING LOT JOINT USE AGREEMENT

This Agreement made this 7 day of April, 1986, by and between KAN VALLEY INVESTMENT CO., a Missouri corporation ("Seller"), and THE CITY OF EDWARDSVILLE, KANSAS ("Buyer").

WITNESSETH:

In consideration of the mutual covenants, agreements, and representations contained in this Agreement, the parties hereto agree as follows:

Section 1. The parties have entered into a Purchase and Sale Agreement as of the 27th day of February, 1986, in which a parking lot joint use agreement as set out hereinbelow appears as an exhibit but which is being set out herein as a separate agreement so that it can be registered with the Register of Deeds.

Section 2. The said subject Purchase and Sale Agreement by and between Seller and Buyer concerns itself with certain land and improvements being acquired by the Buyer, which lands are set out in Exhibit A attached hereto and incorporated herein by reference as if it were fully set out. Included in this property is a considerable amount of developed parking space adjacent to the building also being acquired. This "Joint Use" Agreement concerns said parking space and parking space contiguous thereto which will remain the property of the Seller.

Section 3. It is agreed and understood that while the City is acquiring certain portions of the Shopping Center parking lot and the Sellers are retaining certain portions of the Shopping Center parking lots that both parties, their clients, visitors, and the general public will at all times continue to have the right to use all portions of the Shopping Center facilities, regardless of the ownership by either party, for parking purposes. The exception to open and public use of the Shopping Center facilities parking space will be that the City has the right (under this Agreement) to designate twelve (12) "Reserved" parking spaces for portions of the parking lot being acquired herewith at its discretion. It is understood that these spaces would be for City Officials, City Manager, Chief, City Clerk, Mayor, Council Members, etc. The only exception to this "Joint Use" Agreement is that the City has the right to develop or to build on subject property, or to acquire if the City ever desires or needs to do so.





**IV**

35082

STATE OF KANSAS, NEOSHO COUNTY, KS  
ENTERED AND FILED IN VOL 1054 PAGE

10-15-87 AT 2:05 O'CLOCK P.M.  
*Audra S. Barnhart*  
REGISTER OF DEEDS

INHERITANCE TAX  
CLOSING LETTER

July 21, 1987

Barbara J. Russell  
14 W. Lurial  
Ulysses, KS 67880

Re: B. F. Russell, Dec'd  
Date of Death: September 25, 1960  
County: Grant  
File No. 86071  
SS-7513-10-0031  
Date Tax Due: June 25, 1987  
Tax Paid: \$57.68  
Interest Paid: \$0.00

This letter is evidenced that the amount of the Kansas inheritance tax applicable to the distributive shares of the estate of the above named decedent has been finally determined and has been paid. This determination is valid only to the extent of the assets reported on the return, and the lien of the State of Kansas is released only to that extent. See below the legal description of real estate reported on the return:

und. 1/2 int. in:

- a. SW/4 Sec. 19-208-37N, Grant County, KS  
Surface \$ 24,000.00  
Minerals (1 producing gas well) \$ 10,500.00
- b. N. 40 int. Lt. 4 and all of Lt. 5, Blk. 19, Henry Miller Add. to Ulysses, Grant County, KS \$ 55,000.00
- c. N. 1/4 Blk. 34, City of Ulysses, Grant County, KS \$ 65,000.00
- d. Lt. 4 and N. 1/2 Lt. 3, Blk. 100, High School Add. to Ulysses, Grant County, KS \$ 13,750.00
- e. N. 1/2 Lt. 3 and 1/2 Lt. 4, Blk. 34, City of Ulysses, Grant County, KS \$ 24,750.00

Joint Tenancy: An und. 1/4 int. in:  
The SW/4 of Sec. 17-273-19E, Neosho County, KS  
Decedent's 1/2 Int. \$ 5,156.25

CGT:g/301/4276/7

*Carol B. Bonbrugh*  
Director of Taxation

cc: Jack D. Fletcher, Atty., 713 First Natl. Bank Bldg., Wichita, KS 67202  
District Court, Probate Division, Grant County, Ulysses, KS 67880

111002

**OIL AND GAS LEASE**

NO. 111002

9th day of November 1984

AGREEMENT made and entered into this day of 1984 by and between **Louise M. Moore, Individually and as Administrator of the Estate of Francis J. Moore, dec'd** Ashland, KS 67831 lessor (whether one or more), and **Mitchell Energy Corporation** 2001 Timberlock Pl. Woodlands, TX 77386 lessee

WITNESSETH: That the lessor, for and in consideration of Ten or more Dollars (\$ 10.00 ) in hand paid, the receipt and sufficiency of which is hereby acknowledged, and the covenants and agreements hereinafter contained, does hereby grant, demise, lease and let unto the said lessee, exclusively, the drilling, mining, operating for, and assigns, the following described land for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, operating for, producing and saving of gas, gas condensate, gas distillate, casinghead gas, casinghead gasoline, and all other gases and their constituent parts, and other minerals produced in connection with oil and gas operations hereunder, or as a by-product of oil and gas, and the exclusive right of injecting water, brine and other fluids and substances into the subsurface strata, with rights of way and easements for laying pipe lines, telephone and telegraph lines, tanks, power houses, stations, ponds, roadways and other fixtures or structures for producing, treating and caring for such products, and any and all other rights and privileges necessary, incident to or convenient in the economical or efficient operation, alone or conjointly with other lands, said land for the production of said products or substances and the erection of structures thereon to produce, save and take care of said products and substances and the injection of water, brine and other substances into the subsurface strata of said tract of land, together with any reversionary rights therein, said tract of land being situated in the County of Clark State of Kansas and described as follows, to-wit:

**North Half (N½)**

of Section 35 Township 32 South adjacent or contiguous to \_\_\_\_\_ and owned or claimed by \_\_\_\_\_

this lease, be considered as containing exactly 32 TO HAVE AND TO HOLD the same (subject to years from this date \_\_\_\_\_ called "Primary Term" produced from said lease premises or operations for (1) In consideration of the premises, it is hereby mutually agreed, between the lessor and the lessee:

- To deliver free of cost, to the lessor at the producing and saving from the lease premises or at the prevailing on the day such oil is run into the pipe line
- On gas, gas condensate, gas distillate, casinghead gas, casinghead gasoline or other products, lessee shall manufacture of gasoline or other products, lessee shall the same as at the moment of the well or, if not, than one-eighth (1/8th) of the actual amount received by
- If gas from any well or wells on the premise period of one (1) year or more during which time the a sum equal to the delay rentals provided in paragraph of all the terms of this lease, including the habendum
- On all other minerals produced and marketed, of the actual amount received by the lessee.
- If any gas well on the lease premises produce using such surface gas for stoves and inside lights in of oil, distillate, condensate, gas, casinghead gas, casinghead gas and tanks for all operations hereunder.
- If operations for the drilling of a well for oil or gas, shall terminate as to both parties unless

*Classic example  
of poor quality  
copies being used  
for leases.  
Vera*

ips and pores the terms of 3 erals may be rt of all oil and gravity erms or in tances where event more soline for a nual period the meaning used. ightn (1/4th) expense, of ve free use water from pt as other-

Citizens State Bank (or to any bank successors are lessor's agents and shall continue as the depository bank regardless of changes in the ownership of said land or the right to receive rentals, the sum of Three Hundred Twenty Dollars (\$ 320.00 ), which shall operate as a rental and cover the privilege of deferring the commencement of operations for the drilling of said well for a period of one (1) year from said date. In a like manner and upon like payments or tenders, the commencement of operations for the drilling of said well may be further deferred for like periods successively. It is understood and agreed that the consideration first recited herein, the down payment, covers all the privileges, of said well may be further deferred for like periods successively. Lessee may, at any time, execute and deliver to lessor or piece of record a release or releases covering any portion or portions of the options and other rights conferred upon the lessee, and thereby surrender this lease as to such portion or portions and be relieved of all obligations as to the portion surrendered, and where a part or portion of this lease is released as to all horizons, then rentals thereafter payable hereunder may be reduced in the proportion that the acreage covered by this lease is reduced by said release or releases. Payment or tender of rental may be made by draft or check of the lessee, transmitted, delivered or mailed to the authorized depository bank or to the lessor at his last known address (as shown by lessee's records) on or before the rental date, and the payment or tender shall be deemed to have been made when the check or draft is so transmitted, delivered or mailed.

7. It is expressly agreed that if lessee shall commence operations for the drilling of a well at any time while its lease is in force, this lease shall remain in force and its term shall continue for so long as such operations are prosecuted and, if production results therefrom, then so long as such production may continue. Should the first well drilled on the above described land be a dry hole or fail to establish production, then and in that event if a second well is not commenced on said land within twelve (12) months following the expiration of the last rental period for which rental has been paid for within twelve (12) months from the first anniversary of this lease if such well is drilled during the first year of the primary term), this lease shall terminate as to both parties unless the lessee on or before the expiration of said twelve (12) months shall resume or commence the payment of rentals in the same amount and in the same manner as hereinabove provided. If, within the primary term of this lease, production on the lease premises shall cease from any cause (other than a cessation contemplated in paragraph 2), this lease shall not terminate provided operations for the drilling or reworking of a well shall be commenced before or on the next ensuing rental paying date falling more than ninety (90) days after such cessation; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinbefore provided. If, after the expiration of the primary term of this lease, production on the lease premises shall cease from any cause (other than a cessation contemplated in paragraph 3), this lease shall not terminate provided lessee resumes or commences operations for the drilling or reworking of a well within ninety (90) days from the date of such cessation, and this lease shall remain in force and effect during the prosecution of such operations, and if production results therefrom, then as long as such production continues or the well or wells are capable of producing.

8. Where required by lessor, lessee shall bury all pipe lines below ordinary plow depth in cultivated land. Lessee shall pay lessor for damages caused by lessee's operations to all cultivated crops growing on said land. Lessee shall have the right, but shall not be obligated, at any time, either before or after expiration of this lease, to remove all fixtures and other property placed by lessee on the lease premises, including the right to draw and remove all casing. Any structures and facilities placed on the lease premises by lessee for operations hereunder and any well or wells on the lease premises drilled or used for the injection of salt water or other fluids may also be used for lessee's operation on other lands in the same area; the right to so use such facilities may be continued beyond the term of this lease by payment in advance of the sum of One Hundred Dollars (\$100.00) per year. No well shall be drilled nearer than 200 feet to any house or barn now on the premises without the consent of lessor.

9. Lessee is granted the right, from time to time while this lease is in force, to pool into a separate operating unit or units all or any part of the land covered by this lease with other land, lease or leases, or interest therein (whether such other interests are pooled by a voluntary agreement on the part of the owners thereof or by the exercise of a right to pool by the lessee) when, in lessee's judgment it is necessary or advisable in order to promote conservation, to properly develop or operate the land and interests to be pooled, or to obtain a multiple production allowance from any governmental agency having control over such matters. Any pooling hereunder may cover all oil and gas, or any one or more of the substances covered by this lease, and may cover one or more or all zones or formations underlying all or any portion or portions of the lease premises. Any unit formed by such pooling shall be of a size which shall not exceed 640 acres for gas, gas distillate or gas condensate and shall not exceed 80 acres for any other substance covered by this lease, provided that if any governmental regulation or order shall prescribe a spacing pattern for the development of a field wherein the above described land, or a portion thereof, is located, or allocate a pooling allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be permitted in such allocation of a pooling allowable. The area pooled and the zones or formations and substances pooled shall be set forth by lessee in a "declaration of pooling" filed for record in the county or counties in which the pooled area is located. Such pooling shall be effective on the date such declaration is filed unless a later effective date is specified in such declaration. In the event of pooling, lessee shall receive on production from the pooled area as the amount of the surface acreage which is placed in the pooled area as the amount of the surface acreage of such pooled area as may be payable hereunder to lessor on production from the land covered by the surface acreage of the entire pooled area. Nothing herein contained shall authorize or affect any transfer of any part of the pooled area to any leasehold, royalty or other interest pooled pursuant hereto. The commencement of a well, the conduct of other drilling operations, the completion of a well or of a drilling operation, or the operation of a producing well on the pooled area, shall be considered for all purposes (except for royalty purposes) the same as if said well were located on, or such drilling operations were conducted upon, the lands covered by this lease whether or not such well is located upon, or such drilling operations are conducted upon, said lands. Lessee may terminate any pooling effected pursuant hereto at any time the pooled unit is not capable of producing and no drilling operations are being conducted thereon by expenditures and filing of a written declaration of the termination of such pooling, provided that the pooling of all interests not covered by this lease which comprise a part of such pooled unit be also terminated in some effective manner.

10. The provisions of this lease hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in the ownership of the land or royalties, however accomplished, shall operate or be construed so as to enlarge or increase the obligations or burdens of the lessee, or diminish its rights. Specific notice shall not be given by way of limitation of the foregoing, the lessee shall not be required to offset wells on separate tracts into which the land covered by this lease may hereafter be divided, or to receive rents or royalties hereunder, or any interest therein, however accomplished, shall be binding on the lessee (except at lessee's option) until thirty (30) days after lessee has been furnished with written notice thereof, together with the supporting information hereinafter referred to, by the party claiming as the result of such change in ownership of the land or royalties hereunder. All advance payments of rentals made hereunder within thirty (30) days after receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, heir or successor of the lessor. In the event of an assignment or sublease of this lease as to segregated portions of the land above described the rental payments hereunder shall be apportioned as to the several leasehold owners (including sublessees) ratably according to the surface area of each, and default in the rental payment by one shall not affect the rights of the other leasehold owners.

11. In the event lessor considers that the lessee has failed to comply with any obligation hereunder, express or implied, lessor shall notify lessee in writing, specifying in what respect lessor claims lessee has breached this lease. The service of such notice and lapse of sixty (60) days without lessee meeting or commencing to meet the alleged breaches shall be a condition precedent to any action by lessor for any cause. If, within sixty (60) days after the receipt of such notice lessee shall meet or commence to meet the breaches alleged by lessor, lessee shall not be deemed in default hereunder.

12. If lessor owns a less interest than the entire fee or mineral estate (whether or not a lesser interest is stated above), the rentals and royalties herein provided shall be paid to lessor only in the proportion that his interest bears to the entire fee or mineral estate. If, however, during the term of this lease any reversion of interest to lessor should occur, then and in that event on the next succeeding rental anniversary after lessor shall have notified lessee of the occurrence of such reversion and shall have furnished lessee with satisfactory proof thereof, the rental shall be increased to cover the additional interest so acquired by the lessor.

13. All provisions hereof express or implied shall be subject to all federal and state laws and the orders, rules and regulations of all governmental agencies administering the same (and interpretations thereof by such agencies or courts having jurisdiction), and this lease shall not in any way be terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied covenants hereof if such failure is caused by any such laws, orders, rules or regulations for interpretations thereof by said agencies or courts having jurisdiction. If lessor should be prevented during the last six (6) months of the primary term hereof from drilling a well hereunder by the order of any duly constituted authority having or asserting jurisdiction thereover, or if lessor should be unable during said period to drill a well hereunder due to equipment necessary in the drilling or completion thereof not being available from any cause, the primary term of this lease shall continue until six (6) months after said order is suspended and/or said equipment is available.

14. This lease and all of its terms and conditions shall be binding upon all successors of the lessors and the lessees. Should any one or more of the parties above named as lessors fail to execute this lease, it shall nevertheless be binding upon all lessors who do execute it. Notwithstanding any language herein to the contrary, it is expressly understood and agreed that any payment or payments made by the lessee to the owner of any interest subject to this lease shall be sufficient payment hereunder as to such interest notwithstanding the joinder herein of the spouse of any such party as a party-lessor for the purpose of waiving homestead, dower or inchoate rights of inheritance, if any.

15. Lessor hereby warrants and agrees to defend the title to the land above described and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described land in the event of default of payment by the lessor and the lessee shall be subrogated to the rights of the holder thereof, and lessor hereby agrees that any such payments made by the lessee for the lessor may, at lessee's option, be deducted from any amounts of money which may become due or payable to the lessor under the terms of this lease.

IN WITNESS WHEREOF, we sign this as of the day and year first above written. All above references herein to 1/8 royalty are hereby amended to read 3/16 royalty.

Louise M. Moore  
 Louise M. Moore, individually and as Administrator of the Estate of Francis J. Moore

509-62-9094  
 SS# MIM 10.2

1037402

IV

3340-292

Check Warr.

QUIT CLAIM DEED

THIS INSTRUMENT, Made this 10<sup>th</sup> day of AUGUST A.D., 1967

between BARBARA ANN RYCKEN, A SINGLE PERSON

of JOHNSON County, in the State of KANSAS, of the first part, and

MARTHA J. SPENCER, A SINGLE PERSON

of JOHNSON County, in the State of KANSAS, of the second part:

WITNESSETH, That said party of the first part, in consideration of the sum of ONE DOLLAR AND OTHER VALUABLE CONSIDERATIONS, to her duly paid, the receipt whereof is hereby duly acknowledged, has sold, and by these presents does GRANT, BARGAIN, SELL, RELEASE AND FOREVER QUIT CLAIM unto the said parties of the second part, their heirs and assigns forever, all the following described tract, piece, and parcel of land, situated in the County of Wyandotte and State of Kansas, to-wit:

LOT 20, BLOCK 20, REDWOOD GARDENS, NOW IN ANY A PART OF WYANDOTTE COUNTY, KANSAS

together with all and singular the the hereditaments and appurtenances thereto in any wise appertaining: TO HAVE AND TO HOLD the said premises unto the said parties of the second part their heirs and assigns forever.

IN WITNESS WHEREOF, The said party of the first part has hereunto set his hand, the day and year first above written.

Barbara Ann Rycken  
BARBARA ANN RYCKEN

If sufficient space is not provided for the necessary recording information and certification on a document, such recording information shall be placed on an added sheet and such sheet shall be counted as a page. (10 Point)

The size of print or type on any document to be recorded shall not be smaller than 8 point. Should any document to be recorded contain type smaller than 8 point, such document shall be accompanied by an exact typewritten copy thereof which will be recorded contemporaneously with the document and shall be counted as additional pages. The document shall be of sufficient legibility so as to produce a clear and legible reproduction thereof. If a document is judged not to be of sufficient legibility so as to produce a clear and legible reproduction, such document shall be accompanied by an exact typewritten copy thereof which will be recorded contemporaneously with the document and shall be counted as additional pages. (8 point)

A special user fee in the amount of \$1 shall be charged and collected for each instrument, paper or notice recorded with the register of deeds. User fee moneys shall be transmitted to the county treasurer and placed in a separate fund to be used for the purpose of defraying the cost of converting the register of deeds document storage and retrieval system to micrographics, computer automation or for the preservation and upgrading of the records in the register of deeds office. User fund moneys may accumulate until sufficient moneys are available. (12 point)