

Independence Daily Reporter, KS
By: Brett Bennett

During today's regular weekly meeting, County Appraiser Bill Hendrix requested the Montgomery County Commission hire a private contractor to survey oil and gas wells.

Due in part to a decreased staff from years past and technological changes in oil and gas, Hendrix said his office is not capable of keeping track of production in the county. Another problem is that while the appraiser's office updates its property lists periodically, changes can occur between those times that they may not be aware of.

He said he was particularly concerned that it is difficult to keep track of whether oil and gas producers, especially those from out of state are accurately reporting their inventory for tax purposes.

For instance, a producer might report a well as a non-producing well, meaning the well is capped off but in reality the equipment has simply been turned off for a time.

Hendrix said he found out about a private company, Visual Lease Services of Holdenville, Okla., that will survey all the actual oil production in the county using global position system technology. The company then follows the GPS survey up with site visits, so the county will get an accurate oil and gas production. This way, the county will be able to accurately bill all producers for property tax purposes.

The company reportedly was helpful in recovering lost tax revenue for some Oklahoma Counties, Hendrix added. They are currently working in Nowata County, south of Coffeyville.

The initial starting fee for the services is about \$135,000, he said, but they will continue to update the information every year after that for between \$10,000 and \$12,000.

Commissioners asked Hendrix if there was any way to tell how much extra tax revenue they would recover through contracting with Visual Lease Services.

Hendrix replied that is the big risk because there's no way to tell, although their survey would at least give them more accurate information.

Commissioners indicated they were open to the idea, but they asked Hendrix to come back with more specific dollar figures on how much it

would cost.

They also expressed concerns about the legalities of the company inspecting oil and gas sites on private property, many located behind locked gates.

"I would need some clarification on that," Commissioner Lee Mattix said.

Mattix also noted that local oil and gas production has been a "roller coaster" ride of ups and downs over the years. Commissioner French Hey cautioned against planning the county budget based on the economic success of unstable industries.

Hendrix added he did not think the study would effect area property owners because of the way they are taxed already. It should only effect the producers.

In earlier discussion, Hendrix said this is just one way he's trying to find for keeping track of property valuations in a timely manner.

"County wide zoning would have helped the situation, but I know that's political suicide," he said.

In other business, the commission— Met with various members of the Montgomery County Action Council in closed session to discuss financial information related to private business. The session lasted about 45 minutes.

- Approved a change in status for Register of Deeds employee Karen Freeman, from clerk II to clerk III. There was no discussion regarding Register of Deeds Jeanne Burton Eastman's announcement she will retire effective Nov 1.

- Noted receiving a letter from U.S. Rep. Todd Tiahrt, R-Goddard, in which he announced that the Montgomery County Sheriff's Office would be receiving a \$124,188 grant to fight methamphetamine crimes.