

Crown Pastoral Land Tenure Review

Lease name : INVERARY

Lease number : PC 054

Due diligence report (including status report)

This report and attachments results from a pre tenure review assessment of the pastoral lease for the purpose of confirming land available for tenure review and any issues, rights or obligations attaching to it. The information is gathered from files and other sources available to the LINZ contractor.

Part of the information relates to research on the status of the land, resulting in a status report that is signed off by a LINZ approving officer. The remainder of the information is not analysed for relevancy or possible action until required, and LINZ does not guarantee its accuracy or completeness as presented.

The report attached is released under the Official Information Act 1982.

October 04

**DUE DILIGENCE REPORT
CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:**

File Ref: Pc 54/1

Report No:

Report Date: 28 April 2000

Office of Agent: Christchurch

LINZ Case No:

Date sent to LINZ: 28 Apr 2000

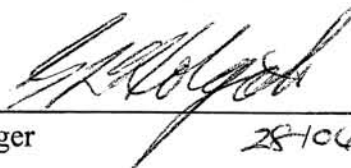
RECOMMENDATIONS

1. That the Commissioner of Crown Lands or his delegate **note** this Due Diligence Report which has been prepared in accordance with the Pre Tenure Review Assessment Standard;

Signed for Knight Frank (NZ) Limited



Consultant 28/4/00



Manager 28/04/00

Approved/Declined (pursuant to a delegation from the Commissioner of Crown Lands) by:

Name:
Date of decision: / /

1. Details of lease:

Lease Name: Inverary
Location: Ashburton Gorge
Lessee: MJP Chapman
Tenure: Pastoral lease
Term: 33 years
Annual Rent: \$10,462.50
Rental Value: \$465,000
Date of Next Review: 1 July 2010
Land Registry Folio Ref: 5B/1368
Legal Description: Run 324 'Inverary' Blocks XII and XV Tripp Survey District, Blocks V, IX, X and XIII Alford Survey District
Area: 3484.1334 hectares

2. File Search

Files held by Agent on behalf of LINZ:

File Reference	Volume	First Folio Number	Date	Last Folio Number	Date
PC 54	0 - 3	302	29.6.1931	487	18.2.2000
PC 54	T1	262	6.9.1946	348	31.1.1957
PC 54	T2	18	3.11.1944	127	10.2.1988
PC 54/1	1	1	21.12.1994	44	16.2.2000

Other relevant files held by LINZ:

A search of files CPL /04/10/12759-ZCH and 5200-D13-101 DCH was completed as at 5.8.1999.

1. No potential liability issues were revealed from these files;
2. There are no known road legalisation issues outstanding;
3. A check of the lands on the Crown Land Balance sheet did not reveal any land adjoining either capable or under existing use by the lessee for possible rationalisation.

3. Summary of lease document:

Terms of lease

See also lease details above

Lease stock limit: 3355 sheep and 110 cattle

Commencement date: 1.7.1988

Property transactions:

None since lease commencement date of 1.7.1988

Lease renewal

No. 834388/1 extended the term of the lease for 33 years commencing 1.7.1988

Area adjustments:

None since lease renewed on 1.7.1988

Registered interests:

1. Land Improvement Agreement No.867328 under Section 30 of the Soil Conservation and Rivers Control Act 1941 - 18.5.1972
2. Exploration permit registered as A407519.1 under the Crown Minerals Act for a term of 5 years from 17.3.1999.
3. Transfer 519083/1 granting a right to convey water in gross over part in favour of Ashburton District Council

Unregistered interests:

We are not aware of any unregistered interests in the lease.

4. Summarise any Government programmes approved for the lease:

Land Improvement Agreement No.867328 under Section 30 of the Soil Conservation and Rivers Control Act 1941 - 18.5.1972. This term of this agreement was ten years from the completion of works that were required to be completed within 5 years of the signing of the agreement (1972).

5. Summary of Land Status Report:

Land Status Report prepared by approved person attached.

The Land Status Report states that the land is all pastoral lease 5B/1368 pursuant to Section 66 of the Land Act 1948.

6. Review of topographical and cadastral data:

Marginal strips

See attached Land Status Report of 29 October 1999.

Fenced boundaries V legal boundaries

See attached Land Status Report of 29 October 1999.

Legal roads -formed and paper

See attached Land Status Report of 29 October 1999.

7. Details of any neighbouring Crown or conservation land

The Department of Conservation has not proposed the inclusion of any neighbouring Crown, Conservation or Reserve Land in this review. We have not undertaken any specific measures to ascertain the presence of neighbouring crown, conservation or reserve land.

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8. Summarise any uncompleted actions or potential liabilities:

We are not aware of any uncompleted actions and potential liabilities in relation to Inverary pastoral lease. However, the following matters will need to be taken into account during the review:

1. Land Improvement Agreement No.867328 under Section 30 of the Soil Conservation and Rivers Control Act 1941 - 18.5.1972. This term of this agreement was ten years from the completion of works that were required to be completed within 5 years of the signing of the agreement (1972). It is therefore likely that the agreement has expired.
2. Exploration permit registered as A407519.1 under the Crown Minerals Act for a term of 5 years from 17.3.1999.
3. Transfer 519083/1 granting a right to convey water in gross over part in favour of Ashburton District Council

ATTACHMENT:

Land Status Check report dated 29 October 1999

Project Number : G 002 – 53SR – 006 YC

This report has been prepared on the instruction of Land Information New Zealand in terms of Contract No : 50176 dated 23 September 1999 and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS REPORT for Inverary Station		LIPS Ref 12759
Property	1	of 1

Land District	Canterbury
Legal Description	Run 324 situated in Blocks V IX X and XIII Alford and XII and XV Tripp Survey Districts.
Area	3484.1334 hectares
Status	Crown land under the Land Act 1948.
Instrument of title / lease	All Pastoral Lease 5B/1368 pursuant to Section 66 of the Land Act 1948.
Encumbrances	Subject to: 1. Land Improvement Agreement No. 867328 under Section 30 of the Soil Conservation and Rivers Control Act 1941. 2. Memorandum to Transfer 519083/1 Granting a of Right to convey water in gross over part (shown N-P, S-T and U on DP 42572) in favour of the Ashburton District Council. 3. Exploration Permit registered as A407519.1 under the Crown Minerals Act 1991 to L & M Mining Ltd for a term of five years from 17 March 1999. 4. Part IVA of the Conservation Act 1987 upon disposition.
Mineral Ownership	Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under the 1848 Kemp Purchase. Underlying Lot 1, DP 20225 was acquired by the Crown, pursuant to the Land Act 1948, as part of an exchange and not for a public work. The Transfer to the Crown was of the total estate including the mines and minerals and therefore the Crown would be free to invoke the standard mineral restrictions on disposition.
Statute	Land Act 1948 and Crown Pastoral Land Act 1998.

Data Correct as at	29 October 1999
[Certification Attached]	Yes

Prepared by	Don McGregor
Crown Accredited Agent	Opus International Consultants Ltd, CHRISTCHURCH

Notes This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6.

1. Provision will need to be made to bring down or recreate the current easement Right to Convey Water in favour of the Ashburton District Council if any new title emanates from Tenure review.
2. CL 5B/1368 contains a notation for Section 58 strips to be excluded from the lease. SO 11388 noted Section 58 of the Land Act was to apply and, on consideration of lease renewal in 1987, the Land Settlement Board approved that the Crown retain the right to apply the Section 58 provisions (now marginal strip under Section 24(3) of the Conservation Act 1987).
The requirement, supported by legal opinion and current instructions, is to define marginal strips upon disposition of the land. The marginal strips remain "notional" pending such definition.
3. In 1987, prior to renewal, it was noted that there were numerous undefined and unformed legal roads intersecting the property, some of which conform to formed vehicle tracks. These should be investigated for transfer to the Crown under Section 323 of the Local Government Act 1974 and incorporated into the Pastoral Lease prior to tenure review.
Information attached.
4. It is apparent that some boundaries show reasonably significant divergence from the practical fenced boundaries:
 - a) W-NW boundary (follows ridges) – potential for exchange with adjoining property.
 - b) North end of Jimmy's Spur/Little Hinds Stream (affects the Inverary freehold).
 - c) SE-E boundary (follows gullies) – possible rationalisation of boundaries with adjoining freehold owners.

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Research Data: Some Items may be not applicable

SDI Print Obtained	Yes
NZMS 261 Ref	J36, K36
Local Authority	Ashburton District Council
Crown Acquisition Map	Kemps Deed; DP 20225
SO Plans	<p>SO 11388 -(approved 17/06/1970) – Plan defining Run 324 (formerly Part of Run 106, Part RS 36420 and Lot 1, DP 20225).</p> <p>The following plans support the Mineral Ownership investigation and other issues in this report:</p> <p>SO 3163 L – (approved 1893) –Plan of RS 36420 now underlying Part Run 324.</p> <p>SO 5426 – (approved 23/01/1918) – Plan of RS 36420 for Lignite Coal site.</p> <p>SO 9379 – (approved 28/08/1958) – Plan of RS 38330 (Part RS 36420) defining land for disposal to adjoining owner in exchange for Lot 1, DP 20225 (approved 12/12/1958) underlying Part Run 324.</p>
Relevant Gazette Notices	N A
CT Ref / Lease Ref	All Pastoral lease 5B/1368 pursuant to Section 66 of the Land Act 1948. Copy attached together with encumbrances.
Realisation Cards	N A
CLR	Confirms Pastoral tenure.
Allocation Maps (if applicable)	Searched and extracts of Allocation maps - DOC (SO' s 17113 and 17122) and SOE (SO' s 17062 and 17071) obtained. No allocations to DOC or SOE' s.
VNZ Ref - if known	VR 24480/45500.
Crown Grant Maps	N A

Resear – *continued*

<p>If Subject land Marginal Strip : a) Type [Sec 24(9) or Sec 58] b) Date Created c) Plan Reference</p>	<p>a) Refer to Notes above. b) N A c) N A</p>
<p>If Crown land – Check Irrigation Maps.</p>	<p>N A</p>
<p>Mining Maps</p>	<p>Searched Mining Privilege Maps J36/K36. Prospecting Application 39164 by ANZEX Resources Ltd over 99,300 hectares - not granted.</p>
<p>If Road a) Is it created on a Block Plan – Section 43(1)(d) Transit NZ Act 1989 b) By Proc.</p>	<p>a) SO Plan 11388 (original plan) denotes that roads intersecting and abutting Run 324 coloured burnt sienna are legal roads under Section 110A Public Works Act 1928 (now Section 43(1)(d)) Transit NZ Act 1989). Topo. plans 1G and 19G sighted and confirm this. b) Proc.Plan N A c) Gazette Ref N A</p>
<p>Other Relevant Information a) Concessions – Advice from DOC or Knight Frank. b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998 c) Mineral Ownership</p>	<p>a) No current DOC concessions in existence. DOC has interests in undefined marginal strips. Copy of DOC letter attached. Existence of concessions administered by Knight Frank not determined. b) Searched. N A. c) Either <input type="checkbox"/> Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under the 1848 Kemp Purchase. The underlying Run 106 (held in Pastoral tenure) and the</p>

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d) Other Info

underlying RS 36420, [held on Crown lease dating back to the original selection on Small Grazing lease in 1892 and subsequent Renewable Lease (RL 646) prior to its incorporation into Inverary Station in 1956] had always been in Crown ownership. Copies of leases attached.

Underlying Lot 1, DP 20225 was acquired by the Crown, pursuant to the Land Act 1948, as part of an exchange and not for a public work (details of exchange proposals as approved by Land Settlement Board attached). The Transfer (T 503467) from CT 440/204 to the Crown to facilitate the exchange was of the total estate including the mines and minerals. Copy of title and Transfer attached.

On disposition the Crown would be free to invoke the standard mineral restrictions.

Contained in [provide evidence].

d) Historically part of RS 36420 (former renewable lease surrendered and incorporated into lease) was used for mineral extraction :

1. A Lignite coal site was defined by SO 5426.
2. Clay deposits for pottery and ceramic manufactured by Newburn Coal and Minerals in the late 1940's (unlicensed) until 1950 when the then lessee sought a Mineral license – no evidence of issue – expired?