

FACT SHEET**CITY OF SHREVEPORT, LOUISIANA****TITLE**

A Resolution authorizing the Mayor of the City of Shreveport to sign an approval of the assignment by Cypress Energy Partners, LLC of four oil and gas leases to Paloma Natural Gas, LLC, and to otherwise provide with respect thereto.

DATE

September 17, 2024

ORIGINATING DEPARTMENT

Department of Public Works
Property Management Section

CITY COUNCIL DISTRICT

District A, District F, District G

SPONSOR**PURPOSE**

To authorize the Mayor of the City of Shreveport to sign an approval to the assignment of four Oil and Gas State Agency Leases, the first being Lease No. 22225, dated July 10, 2024, the second being Lease No. 22226, dated July 10, 2024, and the third being Lease No. 22228, dated July 10, 2024, and the fourth being Lease No. 22229, dated July 10, 2024. All four of the leases are between the City of Shreveport and Cypress Energy Partners, LLC.

BACKGROUND INFORMATION

Cypress Energy Partners, LLC (“CEP”) is now the current owner of four Oil and Gas leases (the “Leases”). Lease Nos. 22225, 22226, 22228, and 22229 are dated July 10, 2024, and are between the City of Shreveport (“City”) and CEP. CEP is in the process of assigning the leases to Paloma Natural Gas, LLC., (Paloma) pursuant to which all of CEP’s rights, title and interest in the referenced Leases will be assigned to Paloma. The assignment will be made subject to all the terms and conditions of the Leases. Paloma will accept the assignment subject to all obligations under the Leases. The City’s consent to assign shall not constitute a waiver of any provision of the Leases.

TIMETABLE

Introduction: September 24, 2024

Final Passage: October 8, 2024

ATTACHMENTS

State Agency Lease Nos. 22225, 22226, 22228, and 22229

CEP Request for Consent of Assignment of Oil, Gas and Mineral Lease

SPECIAL PROCEDURAL REQUIREMENTS**FINANCES****SOURCE OF FUNDS****ALTERNATIVES**

(1) Adopt the Resolution as submitted, or (2) Amend the Resolution, or (3) Reject the Resolution.

RECOMMENDATION

It is recommended the City Council adopt the Resolution.

FACT SHEET PREPARED BY:

Malcolm Stadlander,
Property Management Administrator

RESOLUTION NO. _____ OF 2024

A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF SHREVEPORT TO SIGN AN APPROVAL OF THE ASSIGNMENT BY CYPRESS ENERGY PARTNERS, LLC OF FOUR OIL AND GAS LEASES TO PALOMA NATURAL GAS, LLC, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.

BY: COUNCILMEMBER

WHEREAS, the City of Shreveport (the “City”), leased four certain tracts of land, Tract No. 45823 containing approximately 473.0788 acres, and Tract No. 45824 containing approximately 627.3400 acres and Tract No. 45826 and Tract No. 45827 containing approximately 293.496 acres to Cypress Energy Partners, LLC on July 10, 2024.

WHEREAS, Lease No. 22225 containing Tract No. 45823 was recorded under Instrument No. 2979596; Lease No. 22226 containing Tract No. 45824 was recorded under Instrument No. 2979597; Lease No. 22228 containing Tract No. 45826 was recorded under Instrument No. 2979599; Lease No. 22229 containing Tract No. 45827 was recorded under Instrument No. 2979600. All four leases were recorded in the Conveyance Records of Caddo Parish, Louisiana; and

WHEREAS, CEP is the current owner of the Lease Nos. 22225, 22226, 22228 and 22229 (the “Leases”); and

WHEREAS, CEP has entered into an agreement with Paloma Natural Gas, LLC (“Paloma”), pursuant to which all of CEP’s right, title and interest in the referenced Leases will be assigned to Paloma; and

WHEREAS, in accordance with the terms of the Leases, the City has received a written request from CEP, seeking the City’s consent for CEP to assign their interest in the Leases to Paloma. To the extent required under the Leases, a waiver from the City of any requirements for obtaining such consent, including, without limitation, any right, if any, the City may have to receive any further disclosures of information concerning the details of the assignment of the interest in the Leases; and

WHEREAS, the assignment will be made subject to all of the terms and conditions of the Leases; and

WHEREAS, Paloma will accept the assignment subject to all obligations under the Leases; and

WHEREAS, the City's consent to assign shall not constitute a waiver of any provision in the Leases; and

WHEREAS, the assigned interest may not be further assigned to any third party without written consent from the City, pursuant to the terms of the Leases.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shreveport, Louisiana, in due, legal, and regular session convened, that the Mayor is hereby authorized to approve the assignment of the oil and gas leases from CEP to Paloma.

BE IT FURTHER RESOLVED that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications, and to this end, the provisions of this Resolution are hereby declared severable.

BE IT FURTHER RESOLVED that all resolutions, ordinances or parts thereof in conflict herewith are hereby repealed.

BE IT FURTHER RESOLVED that this Resolution shall become effective in accordance with the provisions of [Shreveport City Charter Section 4.23](#).

THUS DONE AND RESOLVED by the City Council of the City of Shreveport, Louisiana.

APPROVED AS TO LEGAL FORM:

City Attorney's Office