

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

A Resolution authorizing a request to be made to the Louisiana Department of Natural Resources, Louisiana State Mineral and Energy Board, to seek public bids for an oil, gas and mineral lease involving the property located in District A and described herein and to execute the lease for certain mineral interests owned by the City of Shreveport; and to authorize the mayor to execute any and all documents related to the intent of this Resolution; and to otherwise provide with respect thereto.

DATE

March 3, 2023

ORIGINATING DEPARTMENT

Office of Engineering
Property Management Section

CITY COUNCIL DISTRICT

A

SPONSOR**PURPOSE**

To authorize the State Mineral and Energy Board to seek public bids for an oil, gas, and mineral lease for property owned by the City of Shreveport; property adjudicated to the City of Shreveport; and City of Shreveport publicly dedicated roads, and to execute a lease for certain mineral interests owned by the City.

BACKGROUND INFORMATION

The Louisiana State Mineral and Energy Board is available, upon the request of the City, to seek public bids for an oil, gas, and mineral lease and to execute the lease of the property described herein for oil, gas, and other minerals. All rights and authority in connection to any lease *shall be vested in the City* to the same extent as if the City had itself leased the land.

The property is located and identified in Exhibit “A”.

TIMETABLE

Introduction: March 14, 2023
Final Passage: March 28, 2023

ATTACHMENTS

Exhibit “A” – Property Description
Cypress Energy Corporation Lease Request Letter
Mineral Ownership Map – 47.812 Acres

SPECIAL PROCEDURAL REQUIREMENTS

The City should not follow La. R.S. [33:4712](#) for the lease of its minerals; instead it should follow [La. R.S. 30:151](#) et. seq. Pursuant to [La. R.S. 30:153](#)(A), the City may direct the State Mineral and Energy Board to lease its land by Resolution.

FINANCES

+ > \$3000.00
Projected Bonus and Annual Delay Rentals
[*plus* Lease Royalties after production begins.]

SOURCE OF FUNDS

Successful Bidder

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 Stadtlander,
Property Management Administrator

RESOLUTION NO. _____ OF 2023

A RESOLUTION AUTHORIZING A REQUEST TO BE MADE TO THE LOUISIANA DEPARTMENT OF NATURAL RESOURCES, LOUISIANA STATE MINERAL AND ENERGY BOARD, TO SEEK PUBLIC BIDS FOR AN OIL, GAS AND MINERAL LEASE INVOLVING THE PROPERTY LOCATED IN DISTRICT A AND DESCRIBED HEREIN AND TO EXECUTE THE LEASE FOR CERTAIN MINERAL INTERESTS OWNED BY THE CITY OF SHREVEPORT; AND TO AUTHORIZE THE MAYOR TO EXECUTE ANY AND ALL DOCUMENTS RELATED TO THE INTENT OF THIS RESOLUTION; AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.

BY: COUNCILMEMBER

WHEREAS, the City of Shreveport (“City”) may own certain mineral rights underlying the described property in Exhibit “A” (“the property”); and

WHEREAS, every agency [including every municipality] is authorized to lease its land for the development and production of minerals; and

WHEREAS, the City desires to lease its interest in the property for oil, gas and other minerals subject to conditions contained herein; and

WHEREAS, the Louisiana Department of Natural Resources, Louisiana State Mineral and Energy Board, is available upon the request of the City of Shreveport to seek public bids for an oil, gas, and mineral lease and to execute the lease of the property described herein in Exhibit “A” for oil, gas and other minerals if requested to do so by the City of Shreveport; and

WHEREAS, this Resolution is authorized pursuant to Louisiana Revised Statutes, Title 30; Subtitle I; Chapter 2; Subpart B. Leases by State Agencies [and Municipalities] (La. R.S. [30:151](#) – [30:159](#)); and

WHEREAS, pursuant to [La. R.S. 30:153\(A\)](#), any agency [Municipality] may, by Resolution, direct the State Mineral and Energy Board to lease the City’s interest in the property for such purposes; and

WHEREAS, pursuant to [La. R.S. 30:153](#)(A), after the execution of the original lease, all rights and authority in connection therewith shall be vested in the agency [Municipality] to the same extent as if the agency [Municipality] had itself leased the land; and

WHEREAS, pursuant to [La. R.S. 30:153](#)(A) the bonus money, if any, received for the lease shall be transmitted by the State Mineral and Energy Board to the agency [Municipality]; and

WHEREAS, the City of Shreveport has received a written request from Nicholas Palmer, agent for Cypress Energy Corporation, that the City seek public bids for an oil, gas and mineral lease covering said described property in Exhibit “A”; and

WHEREAS, the City of Shreveport does not, by way of the instant Resolution, guarantee Nicholas Palmer, agent for Cypress Energy Corporation, or any other bidding entity, the award of successful bid on the described property in Exhibit “A” (“the property”).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Shreveport, Louisiana, in due, legal, and regular session convened, that:

1. The City of Shreveport declares it may own certain mineral rights underlying the following described property, to-wit: *See Exhibit “A” – Property Description*
2. The Louisiana Department of Natural Resources, State Mineral and Energy Board, be and it is hereby requested and authorized to seek public bids for an oil, gas and mineral lease covering the property described herein above.
3. The Louisiana Department of Natural Resources, State Mineral and Energy Board, be and it is hereby requested and authorized to execute a lease covering the property described herein above.
4. The Mayor, Tom Arceneaux, and/or his designee, is hereby authorized to execute, for and on behalf of the City of Shreveport, any, and all documents related to the execution and intent of this Resolution.
5. **Any such lease shall contain a NO SURFACE OPERATIONS provision to read the same or substantially the same as the following:**

Lessee, its successors, or assigns, may produce oil, gas, and other minerals from the leased premises by drilling from a surface location on other lands, but notwithstanding any other provision of this lease, Lessee, its

successors, or assigns, shall not use the surface of the Lessor's property for drilling or any other operations without prior written permission of Lessor, which permission may be withheld at Lessor's discretion.

6. **Any such lease shall contain a HORIZONTAL PUGH clause to read the same or substantially the same as the following:**

Notwithstanding anything to the contrary herein contained, at the end of the primary term or any extension thereof by operations, if the Commission of Conservation of the State of Louisiana establishes a drilling unit which includes a part of the land herein leased, the production of oil, gas and other minerals from such unit shall maintain this lease in full force and effect only as to such portions of the leased land embraced in said pooled unit; and this lease shall expire as to that part of the land herein leased not included in such unit; and Lessee, its successors and assigns agrees to relinquish by formal instrument any portion of the leased land not included in a unit created by the Commission of Conservation while this lease is in effect.

7. **Any such lease shall contain a VERTICAL PUGH clause to read the same or substantially the same as the following:**

Upon the expiration of the primary term hereof or any extension thereof by operations, this lease shall automatically terminate and be of no further force or effect except as to all that part of the leased premises then included within the geographical boundaries of a producing unit duly established by governmental agency or authority having jurisdiction, from the surface of the earth to a depth of one hundred (100) feet below the deepest depth from which any well commenced during the primary term hereof on the leased premises or on lands pooled therewith is completed and from which there is production in paying quantities, such depth determination to be made on a unit-by-unit basis. In the absence of units so established, this lease shall terminate except as to forty (40) acres around each producing oil well and one hundred sixty (160) acres around each producing or shut-in gas well located on the leased premises, in as near the form of a square as is practicable, from the surface of the earth down to a depth of one hundred (100) feet below the deepest depth from which said well or wells are completed and from which there is production in paying quantities, such depth determination to be made on a well-by-well basis.

8. **Any such lease shall contain a minimum CASH PAYMENT BONUS provision as follows:** Cash Payment Bonus of not less than three thousand dollars (\$3000.00) per acre.

9. **Any such lease shall contain a minimum ROYALTY provision as follows:** Royalty of not less than twenty percent (25%).
10. **Any such lease shall contain a maximum TERM provision as follows:** Primary term of lease shall not exceed three (3) years.
11. Any such lease shall contain a provision expressly stating that any lease granted by the City of Shreveport and accepted by Lessee shall be **WITHOUT WARRANTY OF TITLE** and **WITHOUT RECOURSE AGAINST THE CITY**, whether expressed or implied, even for the return of any monies paid, and further, that City shall not be required to return any payments received or be otherwise responsible to Lessee, therefore.
12. Any error in any legal description contained in this Resolution and/or in Exhibit "A" which may be discovered by the State Mineral and Energy Board, or its staff, during its review of the City's application, which are subsequently corrected by the City of Shreveport, provided such irregularities do not materially change the property being herein authorized for lease, shall not affect any authorization granted or conveyed herein and the State Mineral and Energy Board is hereby authorized to advertise and subsequently lease the said property as correctly described.
13. A certified copy of the executed *Lease Agreement* authorized herein, and all Exhibits attached thereto, or an extract thereof, shall be filed and recorded in the conveyance records of Caddo Parish, Louisiana.

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 application, 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

**CITY OF SHREVEPORT, LOUISIANA NOMINATION 1:
(All lands in Sections 5, 6, 7, & 8 T17N-R14W and Section 32, T18N-R14W))**

DESCRIPTION:

SECTIONS 5,6,7 & 8, TOWNSHIP 17 NORTH, RANGE 14 WEST

&

SECTION 32, TOWNSHIP 18 NORTH, RANGE 14 WEST

ROAD DEDICATIONS

Those certain road dedications located in Sections 5,6,7 & 8, Township 17 North, Range 14 West and Section 32, Township 18 North, Range 14 West, known as Willow Point, Hunter Circle, Flagstone Drive, Old Oak Street, Westchester Street, Briarcliff Circle, Oak Knoll Drive, Gifford Drive, S. Roach Drive, Independence Avenue, Revere Avenue, Woodland Way, Mirador Circle, Mirador Court, Brickham Lane, St. Mathia Drive, Judy Lane, Lakeside Drive, Lakeside Circle, Rocky Top Lane, Crestview Drive, Crestview Circle, Crestview Way, Sunshine Circle, Hideaway Circle, Sapp Street, Rose Street, Lillian Avenue, Roundtree Street, Faith Lane, Indiana Avenue, Woodridge Drive, Harbor Drive, Rockcrest Drive, Lakeland Drive, Willow Ridge Blvd, Unnamed Road, Sweetwater Drive, Rocksprings Blvd, portion of Marina Bay Drive all located in Caddo Parish Louisiana containing **44.101 acres** more or less.

ADJUDICATED PROPERTIES

BELOW TRACTS DUAL CLAIM ADJUDICATED TRACTS – CITY OF SHREVE/CADDO PARISH

Those certain adjudicated properties described as, ALL THAT PART OF LOT 28 LYING BETWEEN THE NE'LY LINE OF LOTS 22 & 23 AND THE S. LINE OF MIRADOR CIRCLE, WILLOW RIDGE, UNIT NO. 7, Geo # 171405-026-0050-00; E'LY 2.5 FT. OF LOT 13, WILLOW RIDGE, UNIT NO. 14. 1, Geo # 171405-040-0024-00; LOT 12, WILBUR SUB., Geo # 171407-006-0012-00; LOTS 13 & 14, WILBUR SUBN., Geo # 171407-006-0044-00; LOT 2, BLK 3, FRED DOUGLAS SUB., Geo # 171407-010-0002-00; LOT 1, BLK 4, FRED DOUGLAS SUB, Geo # 171407-011-0001-00; LOT 4, BLK 4, FRED DOUGLAS SUB, Geo # 171407-011-0004-00; LOT 5, BLK 4, FRED DOUGLAS SUB, Geo # 171407-011-0005-00; LOT 19, BLK 4, FRED DOUGLAS SUB, Geo # 171407-011-0019-00; Geo # 171407-011-

0026-00; LOT 39, BLK 4, FRED DOUGLAS SUB, Geo # 171407-011-0039-00; LOT 6, BLK. 4, FRED DOUGLAS SUBN, Geo # 171407-011-0051-00; BLK 10, FRED DOUGLAS SUB, LESS E. 60 FT. MEASURED ALONG RD. & LESS ROAD & LESS ADDITIONAL R/W, Geo # 171407-013-0026-00. LOTS 1 & 5, BLK. 3, FRED DOUGLAS SUB, Geo # 171407-010-0001-00; A TRIANGULAR TRACT IN S.E. CORNER OF LOT 22, NEWTON HTS SUBN., MEASURING 7.41 FT ON E LINE & 7.48 FT ON S. LINE, Geo # 171407-002-0065-00; LOT 8, BLK 3, FRED DOUGLAS SUB., Geo # 171407-010-0008, LOT 22, BLK. 3, FRED DOUGLAS SUB. OF J.B. LEWIS LANDS IN SEC. 7 (17-14), LESS S'LY 10 FT. FOR ROAD & LESS A 0.015 AC., TRACT TAKEN FOR HWY, Geo # 171407-010-0029, LOT 12, BLK 4, FRED DOUGLAS SUBN, Geo # 171407-011-0012-00, W. 10 FT. OF LOT 6, BLK. 4, FRED DOUGLAS SUBN., Geo # 171407-011-0050-02, LOT 10, HIDEAWAY HARBOR ESTATES PHASE III UNIT I, Geo # 171407-016-0010-00. Said dual claim adjudicated properties total acreage being **2.05 acre**, more or less, within Sections 5,7 & 8, Township 17 North, Range 14 West.

BELOW TRACTS ADJUDICATED 100% BY CITY

LOT 2, WOODLAND HILLS SUB., UNIT #1., Geo # 171408-017-0002-00; LOT 10, WILBUR SUB, Geo # 171407-006-0010-00;; LOTS 3 & 4, BLK. 3, FRED DOUGLAS SUBN., Geo # 171407-010-0024-00; LOT 7, BLK. 4, FRED DOUGLAS SUB, Geo # 171407-011-0007-00; LOT 18, BLK 4, FRED DOUGLAS SUB, Geo # 171407-011-0018-00; LOT 20, BLK 4, FRED DOUGLAS SUB, Geo # 171407-011-0020-00; LOT 31, BLK 4, FRED DOUGLAS SUB, Geo # 171407-011-0031-00; LOTS 8 & 9, BLK. 4, FRED DOUGLAS PLACE, Geo # 171407-011-0046-00; EAST 60 FT - MEASURED ALONG ROAD - OF BLK 10, FRED DOUGLAS SUBN., LESS ROAD, LESS ADDITIONAL R/W, Geo # 171407-013-0025-00, said adjudicated properties total acreage being **1.312 acres**, more or less, within Sections 5,7 & 8, Township 17 North, Range 14 West.

ASSESSED TO THE CITY OF SHREVEPORT

That certain tract or parcel of land containing **0.349 acres**, more or less situated, in Section 5, Township 17 North, Range 14 West, Caddo Parish, Louisiana, being more particularly described in that certain Act of Cash Sale recorded June 1, 2000, in Book 3394, Page 508 in the Conveyance Records of the Clerk of Courts office, Caddo Parish, Louisiana. Geo # 171405-000-0119-00.

The above described Dedicated Roads and Properties contain a total of **47.812 acres**, more or less, all in Sections 5,6,7 & 8, Township 17 North, Range 14 West and Section 32, Township 18 North, Range 14 West, Caddo Parish, Louisiana.