

RES 27

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 Districts E & F 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.

RESOLUTION NO. _____ OF 2024

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 DISTRICTS E & F 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 Nick Palmer, agent for Cypress Energy Partners, LLC, 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 Partners, LLC, 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-two and one-half percent (22.5%).
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

Exhibit "A"

**CITY OF SHREVEPORT, LOUISIANA NOMINATION 1:
(All lands in Sections 28 & 33-T17N-R14W)**

SECTION 28 & 33, TOWNSHIP 17 NORTH – RANGE 14 WEST

TRACT 1:

That certain tract or parcel of land located in Section 28, Township 17 North, Range 14 West, Caddo Parish, Louisiana and being more particularly described in that certain Deed, recorded December 30, 1949, under Instrument Number 61689, Book 606, Page 847, of the Conveyance Records of the Clerk of Courts office, Caddo Parish, Louisiana, containing **53.13 acres**, more or less. Geo # 171428-000-0031-00

TRACT 2:

That certain tract or parcel of land located in Section 28, Township 17 North, Range 14 West, Caddo Parish, Louisiana and being more particularly described in that certain Act of Donation, recorded August 10, 1972, under Instrument Number 570555, Donation Book 6, Page 237, in the Conveyance Records of the Clerk of Courts office, Caddo Parish, Louisiana, containing **3.173 acres**, more or less. Geo # 171428-000-0054-00

TRACT 3:

That certain tract or parcel of land located in Section 28, Township 17 North, Range 14 West, Caddo Parish, Louisiana and being more particularly described in that certain Deed, recorded May 19, 1958, under Instrument Number 179853, Book 833, Page 621, in the Conveyance Records of the Clerk of Courts office, Caddo Parish, Louisiana, containing **19.46 acres**, more or less. Geo # 171428-000-0069-00

TRACT 4:

That certain tract or parcel of land located in Section 28, Township 17 North, Range 14 West, Caddo Parish, Louisiana and being more particularly described in that certain Deed, recorded May 12, 1960 under Instrument Number 241376, Book 897, Page 74, in the Conveyance Records of the Clerk of Courts office, Caddo Parish, Louisiana, containing **3.177 acres**, more or less. Geo # 171428-000-0071-00

TRACT 5:

That certain tract or parcel of land located in Sections 28 & 33, Township 17 North, Range 14 West, Caddo Parish, Louisiana and being more particularly described in that certain Act of Donation, recorded August 10, 1972, under Instrument Number 570555, Donation Book 6, Page 237, in the Conveyance Records of the Clerk of Courts office, Caddo Parish, Louisiana, containing **214.556 acres**, more or less. Geo # 171428-000-0072-00 & 171433-000-0004-00
BEING AND AGGREGATE OF 293.496 ACRES, MORE OR LESS.

BEING A TOTAL OF 293.496 ACRES

CYPRESS ENERGY PARTNERS LLC

NICK PALMER

**Post Office Box 51761
Lafayette, Louisiana 70505
337.264.1875 (office)
337.254.4206 (cell)**

January 11, 2024

Mr. Malcolm Stadtlander
City of Shreveport, Louisiana
505 Travis Street, Suite 200
Shreveport, Louisiana 71107

Re: Nomination of City of Shreveport Mineral
Acreage for Oil, Gas and Mineral Lease
Sections 19,20,28,30 & 33 Township 17
North, Range 14 West, Caddo Parish,
Louisiana

Dear Malcolm Stadtlander

It is the purpose of this letter to inform the City of Shreveport (hereinafter "City") that Cypress Energy Partners (hereinafter "CEP") desires to acquire an Oil, Gas and Mineral Lease from the City covering approximately 1,441.0558 acres, more or less, located in Sections 19,20,28,30 & 33, Township 17 North, Range 14 West, Caddo Parish, Louisiana. It is our understanding that the City needs to review our proposal and issue a Resolution authorizing the State Mineral Board of the State of Louisiana (hereinafter "Mineral Board") to act on its behalf in a future Louisiana State Agency Lease Sale.

CEP respectfully requests that our lease proposal be included on the agenda for consideration at the next Shreveport City Council Meeting. It is our wish that the City authorize a Resolution granting the Mineral Board authority to lease the hereinabove reference lands on behalf of the city.

Should the City agree to grant a Resolution for the purposes specified herein, upon our receipt of the same we will deliver it along with all required documents and applications to the Office of Mineral resources.

Enclosed is a plat and description of the properties our proposed nomination will cover.

Yours Very Truly

CYPRESS ENERGY PARTNERS, LLC



Nick Palmer, agent for CEP

