

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 Districts A and G 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 15, 2021

ORIGINATING DEPARTMENT

Office of Engineering
Property Management Section

CITY COUNCIL DISTRICT

A & G

SPONSOR**PURPOSE**

To authorize the State Mineral and Energy Board to seek public bids for an oil, gas and mineral lease For City-owned property 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 23, 2021
Final Passage: April 13, 2021

ATTACHMENTS

Exhibit "A" – Property Description

SPECIAL PROCEDURAL REQUIREMENTS

The City is 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

+ > \$1500.00
Projected Bonus and Annual Delay Rentals
[plus Lease Royalties after production begins.]
Minimum Bonus Payment will be \$188,430

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 2021

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 A AND G 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];

WHEREAS, the City of Shreveport has received a written request from Todd P. Schoeffler, on behalf of Border Exploration, 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 Todd P. Schoeffler, on behalf of Border Exploration, 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, Adrian Perkins, 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 one thousand five hundred dollars (\$1500.00) per acre.

9. **Any such lease shall contain a minimum ROYALTY provision as follows:** Royalty of not less than twenty percent (20%).
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:

EXHIBIT “A”

CITY OF SHREVEPORT, LOUISIANA: (All lands in Sections 34 & 35-18N-15W and Sections 02 & 11-17N-15W)

A certain tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from the City of Shreveport on December 8, 2020, being more fully described as follows: all lands in Sections 34 and 35, Township 18 North, Range 15 West, and in Sections 2 and 11, Township 17 North, Range 15 West, being more fully described as follows:

- 1) All dedicated highways, roads, streets, alleys, drainage and rights of way located in Section 35, Township 18 North, Range 15 West, Caddo Parish, Louisiana, including but not limited to, South Lakeshore Drive, Moss Point Drive, Risinger Drive and Marty Lane, containing **8.14 acres**, more or less;
- 2) All dedicated highways, roads, streets, alleys, drainage and rights of way located in Section 34, Township 18 North, Range 15 West, Caddo Parish, Louisiana, including but not limited to, South Lakeshore Drive, containing **0.52 acres**, more or less;
- 3) All dedicated highways, roads, streets, alleys, drainage and rights of way located in Section 2, Township 17 North, Range 15 West, Caddo Parish, Louisiana, including but not limited to, South Lakeshore Drive, Risinger Drive, Shorewood Drive, Pines Road, Long Timbers Drive, Brookline Drive, Noxubee Drive, Bonnieview Road, Altavista Drive, Long Pines Drive, Towering Oaks Drive, Louene Circle, Kingfish Drive, Schober Circle, Gahagan Circle, Snapper Circle, Timber Knoll Drive, Timber Court, Wonderland Drive, Mary Frances Drive, Randy Way, Brendlyn Drive, Yarborough Road and Irish Circle, containing **60.70 acres**, more or less;
- 4) All dedicated highways, roads, streets, alleys, drainage and rights of way located in Section 11, Township 17 North, Range 15 West, Caddo Parish, Louisiana, including but not limited to, Yarborough Road, Pines Road, Gemini Drive, Twilight Lane, Virgo Drive, Galaxy Lane, Venus Drive, Milky Way, Jefferson Paige Road, Tamerlane Drive, Oak Valley Drive, Oak Park Drive, Joy Drive, Kingswood Drive, Kenwood Drive, Sabine Lane, La Fleur Drive, Goree Lane, Ernwood Circle, Bocage Drive, Gilwood Circle, Bocage Circle, Glendale Lane, Sonhaven Drive and Nottaway Drive, containing **53.02 acres**, more or less;
- 5) That certain tract or parcel of land containing **0.44 of an acre**, more or less, situated in the Southwest Quarter (SW/4) of Section 35, Township 18 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171502-001-0019-00. Said tract being a portion of the lands described in that certain Ordinance dated November 13, 1991, and recorded in Book 2783, Page 248, under Entry No. 1325963 of the Conveyance Records of Caddo Parish, Louisiana;
- 6) That certain tract or parcel of land containing **.3429 acres**, more or less, being known and designated as “LOT 6 OF HILLTOP SUBDIVISION, UNIT 7”, situated in the Northeast Quarter (NE4) of Section 11, Township 17 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171511-002-0006, being further depicted on that certain plat of survey of the Hilltop Subdivision Unit No. 7, dated July 26, 1976 and recorded in Book 1500, Page 403, of the Conveyance Records of Caddo Parish, Louisiana;

- 7) That certain tract or parcel of land containing **0.28 of an acre**, more or less, being known and designated as “LOT 12 OF OAK RIDGE SUBDIVISION”, situated in the Northeast Quarter (NE/4) of Section 11, Township 17 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171511-020-0012-00, being further depicted on that certain plat of survey of Oak Ridge Subdivision, recorded on May 16, 1974 in Book 1450, Page 247, Entry No. 624917, and acquired by the City of Shreveport in that certain Judgment of Taking dated November 13, 1991, and recorded in Book 3502, Page 201, under Entry No. 1779316, both of the Conveyance Records of Caddo Parish, Louisiana;
- 8) That certain tract or parcel of land containing **0.37 of an acre**, more or less, being known and designated as “LOT 13 OF OAK RIDGE SUBDIVISION”, situated in the Northeast Quarter (NE/4) of Section 11, Township 17, Range 15 West, Caddo Parish, Louisiana, GEO No. 171511-020-0013-00, being further depicted on that certain plat of survey of Oak Ridge Subdivision, recorded on May 16, 1974 in Book 1450, Page 247, Entry No. 624917, and acquired by the City of Shreveport in that certain Act of Cash Sale dated September 7, 2001, and recorded in Book 3485, Page 484, under Entry No. 1767634, both of the Conveyance Records of Caddo Parish, Louisiana;
- 9) That certain tract or parcel of land containing **0.24 of an acre**, more or less, being known and designated as “LOT 14 OF OAK RIDGE SUBDIVISION”, situated in the Northeast Quarter (NE/4) of Section 11, Township 17 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171511-020-0014-00, being further depicted on that certain plat of survey of Oak Ridge Subdivision, recorded on May 16, 1974 in Book 1450, Page 247, Entry No. 624917, and acquired by the City of Shreveport in that certain Quitclaim Deed dated March 21, 2008, and recorded in Book 4028, Page 49, under Entry No. 2147935, both of the Conveyance Records of Caddo Parish, Louisiana;
- 10) That certain tract or parcel of land containing **0.2291 of an acre**, more or less, being known and designated as “LOT 77 OF WESTERN HILLS VILLAGE SUBDIVISION”, situated in the Southeast Quarter (SE/4) of Section 11, Township 17 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171511-018-0077, being further depicted on that certain plat of survey of the Western Hills Village Subdivision, recorded on March 6th, 1973 in Book 1400, Page 443, of the Conveyance Records of Caddo Parish, Louisiana;
- 11) That certain tract or parcel of land containing **0.1016 of an acre**, more or less, being known and designated as the west half of an abandoned in-wood road, lying between Lots 2 and 3 of “WESTERN HILLS NORTH SUBDIVISION”, situated in the Southeast Quarter (SE/4) of Section 11, Township 17 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171502-015-0011, being further depicted on that certain plat of survey of the Western Hills North Subdivision, dated October 7, 1971, and recorded in Book 1300, Page 427, of the Conveyance Records of Caddo Parish, Louisiana;
- 12) That certain tract or parcel of land containing **0.3764 of an acre**, more or less, being known and designated as “LOT 11 OF LONG TIMBERS SUBDIVISION”, situated in the Northwest Quarter (NW/4) of Section 2, Township 17 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171502-015-0011, being further depicted on that certain plat of survey of the Long

Timbers Subdivision, dated August 4, 1978, and recorded in Book 1700, Page 223, of the Conveyance Records of Caddo Parish, Louisiana;

- 13) That certain tract or parcel of land containing **0.22 of an acre**, more or less, being known and designated as "LOT 18 OF OAK RIDGE SUBDIVISION", situated in the Northeast Quarter (NE/4) of Section 11, Township 17 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171511-020-0018-00, being further depicted on that certain plat of survey of Oak Ridge Subdivision, recorded on May 16, 1974 in Book 1450, Page 247, Entry No. 624917, and acquired by the City of Shreveport in that certain Tax Adjudication Deed dated July 8, 1992, and recorded in Book 2828, Page 396, under Entry No. 1351134, both of the Conveyance Records of Caddo Parish, Louisiana;
- 14) That certain tract or parcel of land containing **0.64 of an acre**, more or less, situated in the Northeast Quarter (NE/4) of Section 11, Township 17 North, Range 15 West, Caddo Parish, Louisiana, GEO No. 171511-000-0057-00. Said tract being further described in that certain Donation dated January 23, 1973, and recorded in Book "F", Page 333, under Entry No. 583557 of the Conveyance Records of Caddo Parish, Louisiana.

The total acreage for Sections 34 and 35, Township 18 North, Range 15 West, and Sections 2 and 11, Township 17 North, Range 15 West being **125.62 acres**, more or less, all as more particularly outlined on the attached aerial plat.