

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

A Resolution authorizing the Mayor to execute a surface and subsurface servitude and easement agreement affecting a 457.82 acre tract of city owned property with Aethon Energy Operating LLC, and to otherwise provide with respect thereto.

DATE

May 4, 2021

ORIGINATING DEPARTMENT

Property Management Section
Department of Engineering
and Environmental Services

COUNCIL DISTRICT**SPONSOR****PURPOSE**

To authorize the Mayor to execute a surface and subsurface servitude and easement agreement for the purpose to drill and produce multiple wellbores directionally and horizontally affecting a 457.82 acre tract of land owned by the City of Shreveport, and identified by Caddo Parish Tax Assessor's Geographic No. 161233-000-0019-00.

BACKGROUND INFORMATION

The City's Engineering and Environmental Services Department has received a request from Mr. James R. Madison, Jr., representing Aethon Energy Operating, LLC, (Aethon) for a surface and subsurface servitude agreement on property owned by the City of Shreveport, and commonly referred as the "sludge field" south of the City of Shreveport with an address of 11726 Harts Island Road, Shreveport, Louisiana. The total affected acreage is 6.364 acres and, Aethon is offering \$7,000 per acre for damages and surface and subsurface compensation with this agreement. Total consideration will be Forty-four Thousand Five Hundred Forty-eight Dollars (\$44,548.00). This agreement will allow Aethon to ingress and egress on the property to drill and produce multiple wellbores directionally and/or horizontally through the subsurface of the 6.364 acres. A copy of the surface and subsurface servitude and easement agreement is attached hereto, along with Exhibits "A" & "B", which identifies the exact affected area.

The City Engineer, or his designee, has reviewed the surface and subsurface servitude and easement agreement and other supporting documents and does hereby recommend the City Council approve the proposed agreement as it appears to comply with the Shreveport City Code and City departmental policies and regulations.

TIMETABLE

Introduction: May 11, 2021

Final Passage: May 25, 2021

ATTACHMENTS

Surface and Subsurface Servitude and
Easement Agreement
Exhibits "A" & "B" Maps and legal description

SPECIAL PROCEDURAL REQUIREMENTS

The surface and subsurface servitude and easement agreement shall be authorized by the City Council in the form of a Resolution. The adoption of the Resolution shall also comply with the requirements of City Charter [Section 4.17](#).

FINANCES

\$44,548.00 (6.364 acres @ \$7,000.00/acre) to be received by the City of Shreveport

SOURCE OF FUNDS

NA

ALTERNATIVES

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

RECOMMENDATION

It is recommended that the City Council adopt the resolution.

FACT SHEET PREPARED BY:

Malcolm Stadtlander,
Property Management Administrator

RESOLUTION NO. _____ OF 2021

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A SURFACE AND SUBSURFACE SERVITUDE EASEMENT AGREEMENT AFFECTING A 457.82 ACRE TRACT OF CITY OWNED PROPERTY WITH AETHON ENERGY OPERATING, LLC, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.

BY COUNCILMEMBER:

WHEREAS, the City of Shreveport desires to enter into a Surface and Subsurface Servitude Easement Agreement for the purpose of locating production or transportation facilities in, over, or under city-owned property (excluding the City’s public rights-of-way); and

WHEREAS, the City’s Engineering and Environmental Services Department has received a request for a surface and subsurface servitude and easement which shall cover approximately 6.364 acres of a 457.82 acre tract of City-owned property; and

WHEREAS, total consideration to be received by the City under this proposed Agreement shall be Forty-Four Thousand Five Hundred Forty-Eight (\$44,548.00) Dollars; and

WHEREAS, the City Engineer, or his designee has reviewed the supporting documents associated therewith and does hereby recommend the City Council approve the proposed Surface and Subsurface Servitude Easement Agreement as it appears to comply with the City departmental policies and regulations.

WHEREAS, this Surface and Subsurface Servitude Easement Agreement shall be authorized by resolution of the City Council and executed by the Mayor.

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

The surface and subsurface servitude and easement agreement is hereby approved for the development of oil and gas on the City owned property at 11726 Harts Island Road, Shreveport, Louisiana, known as the “sludge field”. The Mayor is hereby authorized to execute the Surface and Subsurface Servitude and Easement Agreement, substantially in accordance with the draft attached hereto and as shown and described in EXHIBITS “A” & “B”, and also to include any other related and accompanying documents to carry out the intent of this Resolution, between the City of Shreveport, Louisiana (“GRANTOR”) and Aethon Energy Operating, LLC (GRANTEE), for the purpose of developing oil and gas on city-owned property.

BE IT FURTHER RESOLVED that an offer of Forty-Four Thousand Five Hundred Forty-Eight (\$44,548.00) Dollars in consideration of the grant of this surface and subsurface servitude and easement be accepted.

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 or parts thereof in conflict herewith are hereby repealed.

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

APPROVED AS TO LEGAL FORM:

City Attorney’s Office