

FACT SHEET

CITY OF SHREVEPORT, LOUISIANA

TITLE

A Resolution authorizing the Mayor of the City of Shreveport to sign a consent of the assignment by Pine Wave Energy Partners Operating, LLC of three Oil and Gas Leases to Silver Hill Haynesville E&P, LLC, and to otherwise provide with respect thereto.

DATE

March 22, 2022

ORIGINATING DEPARTMENT

Office of Engineering
Property Management Section

CITY COUNCIL DISTRICT

A and G

SPONSOR

PURPOSE

To authorize the Mayor of the City of Shreveport to consent to the assignment of three (3) Oil and Gas leases, the first executed on October 13, 2021, between the City of Shreveport and Pine Wave Energy Partners Operating, LLC, recorded under Instrument No. 2864971; the second executed on February 19, 2004, between the City of Shreveport and Alternate Fuel Systems of Louisiana, Inc., recorded by Memorandum under Instrument No. 2003058; the third executed on August 13, 2004, between the City of Shreveport and Alternate Fuel Systems of Louisiana, Inc., recorded by Memorandum under Instrument No. 2003061. All of the referenced Instruments are recorded in the Conveyance Records of Caddo Parish, Louisiana.

BACKGROUND INFORMATION

Pine Wave Energy Partners Operating, LLC (“Pine Wave”) is the current lessee of three (3) Oil and Gas leases (“the leases”); one lease dated October 13, 2021 between the City of Shreveport (“City”) and Pine Wave, recorded under Instrument No. 2864971, and two leases dated February 19 and August 13, 2004 between the City and, at their execution, Alternate Fuel Systems of Louisiana, Inc. The leases dated February 19 and August 13, 2004 were affirmed by Memorandum, both Memorandum being recorded on October 14, 2005 under Instrument No’s 2003058 and 2003061 respectively. Following their recordation in 2005, the rights, title and interest in the Alternate Fuel Systems leases were assigned to Pine Wave. On March 1, 2022, Pine Wave entered into an agreement with Silver Hill Haynesville E&P, LLC (“Silver Hill”), whereby Pine Wave intends to assign to Silver Hill all of Pine Wave’s rights, title and interest in and to these certain leases and/or agreements with the City. The assignments will be made, and Pine Wave will accept the assignments, subject to all the terms, conditions, and obligations of the leases. The City’s consent to the assignment shall not constitute a waiver of any provision of the leases.

TIMETABLE

Introduction: April 26, 2022
Final Passage: May 10, 2022

ATTACHMENTS

Exhibit A – October 13, 2021 State Agency Lease Lease (No. 2864971) (City of Shreveport – Pine Wave)
Exhibit B – February 19, 2004 State Agency Lease (City of Shreveport – Alternate Fuel) (Legal Description: Shreveport Regional Airport)
Exhibit C – August 13, 2004 State Agency Lease (City of Shreveport – Alternate Fuel) (Legal Description: Ellston Partition)
Exhibit D – Memorandum of February 19, 2004 Lease (No. 2003058)
Exhibit E – Memorandum of August 13, 2004 Lease (No. 2003061)

Exhibit F – Pine Wave Assignment Consent Request (March 31, 2022)
Exhibit G – Pine Wave Assignment Consent Request (April 1, 2022)

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. 66 OF 2022

A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF SHREVEPORT TO SIGN A CONSENT OF THE ASSIGNMENT BY PINE WAVE ENERGY PARTNERS OPERATING, LLC OF THREE OIL AND GAS LEASES TO SILVER HILL HAYNESVILLE E&P, LLC, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.

BY: COUNCILMEMBER

WHEREAS, the City of Shreveport (the “City”), entered into an Oil and Gas lease with Pine Wave Energy Partners Operating, LLC (“Pine Wave”), which was recorded in the Conveyance Records of Caddo Parish, Louisiana under Instrument No. 2864971, effective October 13, 2021; and

WHEREAS, the City also entered into two (2) Oil and Gas leases with, at their execution, Alternate Fuel Systems of Louisiana, Inc., effective February 19, 2004 and August 13, 2004, both of which were recorded by Memorandum in the Conveyance Records of Caddo Parish, Louisiana on October 14, 2005 under Instrument No’s 2003058 and 2003061, respectively; and

WHEREAS, following their recordation, the rights, title and interest in the Alternate Fuel Systems leases were assigned to Pine Wave.

WHEREAS, Pine Wave has entered into an agreement with Silver Hill Haynesville E&P, LLC (“Silver Hill”), pursuant to which all of Pine Wave’s rights, title and interest in the referenced leases will be assigned to Silver Hill; and

WHEREAS, in accordance with the terms of the leases, the City has received a written request from Pine Wave, seeking the City’s written consent for Pine Wave to assign their interest in the leases to Silver Hill; and

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

WHEREAS, Silver Hill will accept the assignment subject to all obligations under the leases; and

WHEREAS, the City’s consent to assign the leases shall not constitute a waiver of any provision of 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 three (3) Oil and Gas leases from Pine Wave Energy Partners Operating, LLC to Silver Hill Haynesville E&P, LLC.

BE IT FURTHER RESOLVED that if any provision or portion 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