



CITY COUNCIL COMMUNICATION

April 24, 2012

SUBJECT: Authorize the Mayor to Negotiate and Execute an Oil and Gas Lease for City Owned Property.

SUBMITTED BY: Chris Barker, Assistant City Manager

REFERENCE NO:

ACTION REQUESTED:

Authorize the Mayor to negotiate and execute an Oil and Gas Lease for city owned property totaling 10.820468 acres with Chesapeake Exploration, LLC.

ALTERNATIVES:

- Table the request
- Deny the request

SUMMARY OF SUBJECT:

The City of Euless owns 5 tracts of land totaling 10.820468 acres. Three (3) of these tracts, totaling 10.5659 acres, were the subject of a 2006 Oil and Gas Lease between the City of Euless and XTO Energy Inc. These three tracts contain the Parks and Community Services Administrative Building, Fleet and Facilities Building, Public Works Maintenance, Animal Shelter and Fire Station #2. The minerals on these three tracts were never accessed and XTO's interest has been subsequently relinquished. The remaining two (2) tracts total 0.254568 acres and consist of city owned Right-Of-Way at the northeast corner of N. Main Street and Harwood Road and city owned property located at 302 Martha Street. Neither of these two tracts has been previously leased.

Staff recommends that Council authorize the Mayor to negotiate and execute a lease with Chesapeake Exploration, LLC.

SUPPORTING DOCUMENTS:

- XTO Release of Oil and Gas Lease

APPROVED BY:

_____ **LG** _____ City Manager's Office

_____ **KS** _____ City Secretary's Office