

ORDINANCE O-2022 -

A BILL FOR AN ORDINANCE APPROVING THE AGREEMENT, AMENDMENT TO THE
EXISTING OIL AND GAS AGREEMENTS, AND MUTUAL RELEASE AND ASSOCIATED
DOCUMENTS IN FURTHERANCE THEREOF

WHEREAS the City and TOP Operating Co. (“TOP”) are parties to certain oil and gas agreements, specifically: (i) the Master Contract Concerning Consolidated Oil and Gas Exploration and Production Facilities, Property Purchase, Oil and Gas Mineral Leases and Reciprocal Compensation, as amended (“Master Contract”); (ii) the Operator’s Agreement; (iii) the Royalty Account Agreement, in furtherance of the Master Contract; and (iv) the First Amendment to (1) Master Contract Concerning Consolidated Oil and Gas Exploration and Production Facilities, Property Purchase, Oil and Gas Mineral Leases and Reciprocal Compensation, (2) Operator’s Agreement and (3) Oil and Gas Leases (“First Amendment”); and

WHEREAS the City, TOP, Cub Creek Energy, LLC (“Cub Creek”), and CCW Energy, LLC (which has since voluntarily dissolved) have also executed the Site Relinquishment Agreement, Mineral Acquisition and Lease Agreement (“Site Agreement”); and

WHEREAS the City, TOP, Cub Creek, Jasper Resources, LLC (“Jasper”) and Rodney K. Herring (“Herring”) have varying interests or claims to the oil and gas leases, more particularly described within the agreements referenced in Section 1 of this ordinance (“Agreements”); and

WHEREAS the City, TOP, Cub Creek, Jasper and Herring wish to enter into those certain Agreements as a result of on-going negotiations and to resolve disputes that have arisen concerning the Master Contract, Operator's Agreement, Royalty Account Agreement, First Amendment, and Site Agreement; and

1 WHEREAS Colorado Revised Statutes, section 31-15-713, requires that all leases of
2 municipal property for longer than one year be in the public interest and approved by ordinance;
3 and

4 WHEREAS section 12.7 of the Longmont Home Rule Charter requires that the Council
5 approve the amendment to the revocable permit and agreement referenced section 1 of this
6 ordinance; and

7 WHEREAS the City, TOP, Cub Creek, Jasper, and Herring request that the City Council
8 authorize and approve the following Agreements:

- 9 1. Agreement, Amendment to Existing Oil and Gas Agreements & Mutual Release
10 Between the City, Cub Creek, TOP, Jasper, and Herring
- 11 2. Oil and Gas Leases Between the City and Cub Creek for the Kolby, Eckel, and Upper
12 Adrian/Larson Properties
- 13 3. Amendment and Ratification of Oil and Gas Leases Between the City, Cub Creek, and
14 TOP for the Koester and Northern Shores Properties
- 15 4. Amendment and Ratification of Oil and Gas Lease Between the City, Cub Creek, and
16 TOP for the Lower Adrian Property
- 17 5. Ratification of Stamp Oil and Gas Lease Between the City, Cub Creek, and TOP
- 18 6. Amendment to Cub Creek Energy Access Road Revocable Permit and Agreement
19 between the City and Cub Creek
- 20 7. COGCC Rule 1001 Surface Owner Waiver Regarding Topsoil Protection and
21 Reclamation of Certain Lands Between the City and TOP

22 WHEREAS the City Council hereby finds that entering into the Agreements referenced
23 herein for their stated respective purposes is in the public's interest.

1 NOW, THEREFORE, THE COUNCIL OF THE CITY OF LONGMONT, COLORADO,
2 ORDAINS:

3 Section 1

4 The Council approves and authorizes the Mayor to sign the following Agreements, in the
5 form substantially as that now before the City Council, as well as any other additional documents
6 that may be required to effectuate the following:

- 7 1. Agreement, Amendment to Existing Oil and Gas Agreements & Mutual Release
8 Between the City, Cub Creek, TOP, Jasper, and Herring
- 9 2. Oil and Gas Leases Between the City and Cub Creek for the Kolby, Eckel, and Upper
10 Adrian/Larson Properties
- 11 3. Amendment and Ratification of Oil and Gas Leases Between the City, Cub Creek, and
12 TOP for the Koester and Northern Shores Properties
- 13 4. Amendment and Ratification of Oil and Gas Lease Between the City, Cub Creek, and
14 TOP for the Lower Adrian Property
- 15 5. Ratification of Stamp Oil and Gas Lease Between the City, Cub Creek, and TOP
- 16 6. Amendment to Cub Creek Energy Access Road Revocable Permit and Agreement
17 between the City and Cub Creek
- 18 7. COGCC Rule 1001 Surface Owner Waiver Regarding Topsoil Protection and
19 Reclamation of Certain Lands Between the City and TOP

20 Section 2

21 To the extent only that they conflict with this ordinance, the Council repeals any conflicting
22 ordinances or parts of ordinances. The provisions of this ordinance are severable, and invalidity
23 of any part shall not affect the validity or effectiveness of the rest of this ordinance.

1 Introduced this _____ day of _____, 2022.

2 Passed and adopted this _____ day of _____, 2022.

3
4
5
6 _____
7 MAYOR

8 ATTEST:
9
10

11 _____
12 CITY CLERK
13
14

15 NOTICE: THE COUNCIL WILL HOLD A PUBLIC HEARING ON THIS ORDINANCE AT
16 7:00 P.M. ON THE _____ DAY OF _____, 2022, AT THE
17 LONGMONT CITY COUNCIL MEETING.
18
19

20 APPROVED AS TO FORM:
21
22

23 _____
24 CITY ATTORNEY

_____ DATE
25
26

27 _____
28 PROOFREAD

_____ DATE
29
30

31 APPROVED AS TO FORM AND SUBSTANCE:
32
33

34 _____
35 ORIGINATING DEPARTMENT

_____ DATE
36
37

CA File: 22-001942