

# Mayor and Council Communication

DATE: 05/09/23

M&C FILE NUMBER: M&C 23-0372

LOG NAME: 21CENTREPORT BARNETT EXEC MINERAL RIGHTS

## **SUBJECT**

(CD 5 / Future CD 5) Authorize Accepting the Return of Executive Rights for the City's Mineral Interests at Centerport from Centreport Barnett, LP and Authorize Release of Certain Oil and Gas Leasing Restrictions

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize accepting the return of executive rights for the City's 50% mineral interests in certain property from Centreport Barnett, LP; and
2. Authorize the release of certain restrictions related to oil and gas leasing of the City's mineral interests in the Centreport property.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication ("M&C") is to approve actions associated with the City's mineral interests at the property known as Centreport in far east Fort Worth.

### **Background**

On June 5, 1980, the City of Fort Worth (City) and CentrePort Joint Venture entered into an option agreement for the sale of property formerly known as the Greater Southwest International Airport (City Secretary Contract No. 11107, as amended).

On May 23, 2007, the City and CentrePort Venture, Inc. as successor to the joint venture and predecessor in interest to Centreport Barnett, LP (Centreport) executed the Fifth Amendment to the option agreement to address the issue of oil and gas leases (City Secretary Contract No. 35324). Per the terms of the Fifth Amendment, the City reserved a 50% mineral interest in the property but conveyed to Centreport exclusive executive rights for all of the minerals (including the City's 50%) so long as certain oil and gas leasing restrictions were met.

On August 24, 2007, as executor of the City's 50% mineral interests in certain property, Centreport entered into an Oil and Gas Lease on behalf of itself and the City. That lease encompasses all of the property that was subject to CSC 35324 and remains held in place by production.

With the property all subject to an existing lease and Centreport undergoing certain restructuring, Centreport desires to convey back to the City the executive rights for the City's 50% mineral interests. With Centreport ceding authority to execute leases on the City's behalf, it is also requesting that the restrictions, limitations, and other duties related to oil and gas leasing and articulated in CSC 35324 be released.

With all Centreport property having been "taken down" under the option contract, an ongoing lease being in place on the property, and Centreport relinquishing rights to execute leases on the City's behalf, staff supports the release of the restrictions.

The property is located in COUNCIL DISTRICT 5 /Future COUNCIL DISTRICT 5

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that this action will have no material effect on City funds.

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