

RESOLUTION NO. 2018-30

A RESOLUTION OF THE TOWN OF BERTHOUD AUTHORIZING THE TOWN ATTORNEY TO NEGOTIATE THE TERMS OF AN OIL AND GAS LEASE FOR LEASING CERTAIN MINERAL INTERESTS HELD BY THE TOWN OF BERTHOUD AND AUTHORIZING THE MAYOR TO EXECUTE THE SAME

WHEREAS, the Town of Berthoud, Colorado (the "Town") is the owner of certain mineral interests located in Larimer and Weld Counties, and specifically in Section 11, Township 4 North, Range 68 West of the 6th Principal Meridian, and Sections 14 and 23, Township 4 North, Range 69 West of the 6th Principal Meridian;

WHEREAS, under Colorado law, the owners of mineral interests may lease the mineral interests beneath the surface of the land;

WHEREAS, the oil and gas deposits in the Denver-Julesburg Basin and along the Front Range of Colorado have drawn increasing interest from oil and gas operators;

WHEREAS, the Town's mineral interests have become a source of interest to oil and gas operators;

WHEREAS, the Town's Board of Trustees previously authorized the Town Attorney to negotiate lease terms for the Town's oil and gas interests, and approved a lease with Aztec Exploration, LLC;

WHEREAS, Aztec Exploration, LLC has approached the Town with a second lease proposal with terms and conditions for leasing of the Town's mineral interests noted herein, which on information and belief consists of approximately 198.247 net mineral acres;

WHEREAS, the Town's Attorney has researched and considered the lease proposal and recommends that the basic terms, including lease term, bonus and royalty, proposed by Aztec are acceptable and should be entered into by the Town Board, but that other lease terms may need to be negotiated;

WHEREAS, the Town Board has concluded that a negotiated oil and gas lease would be beneficial to the public interest in that it allows the Town to derive revenue from existing Town-owned resources under negotiated terms with an oil and gas operator; and

WHEREAS, the Town finds it necessary, appropriate and in the best interests of the Town of Berthoud community to enter a negotiated oil and gas lease for the mineral interests noted herein, with final terms to be negotiated by the Town Attorney and the operator.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF BERTHOUD, COLORADO AS FOLLOWS:

1. That the Board of Trustees of the Town hereby approves entering an oil and gas lease for the Town's mineral interests located in Section 11, Township 4 North, Range 68 West of the 6th Principal Meridian, and Sections 14 and 23, Township 4 North, Range 69 West of the 6th Principal Meridian.

2. That the Board of Trustees of the Town hereby authorizes and directs the Town Attorney to negotiate final lease terms.

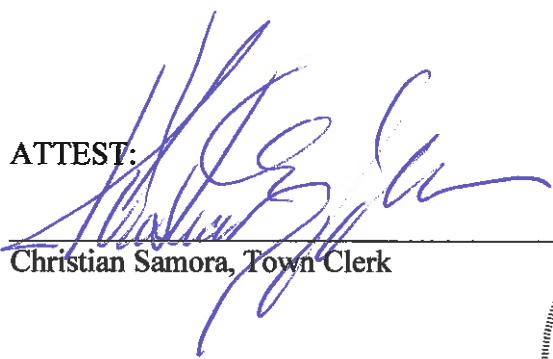
3. That the Board of Trustees of the Town, thereafter, authorizes and directs the Mayor and Town Clerk to execute the final oil and gas lease on behalf of the Town of Berthoud.

PASSED, ADOPTED AND APPROVED THIS 25th day of September 2018.

TOWN OF BERTHOUD

BY: William Karspeck
William Karspeck, Mayor

ATTEST:


Christian Samora, Town Clerk

