

ORDINANCE NO. 2021- 05

AN ORDINANCE AUTHORIZING THE
CORRECTION OF LEASE DESCRIPTION,
AMENDMENT & RATIFICATION OF AN OIL
AND GAS LEASE WITH SPC RESOURCES LLC

WHEREAS, the City entered into an Oil and Gas Lease with SPC Resources LLC on October 11, 2017 which Lease contained a legal description of the subject property; and

WHEREAS, the description contained in the 2017 Lease was intended to cover a lease of all oil and gas rights owned by the City, in the following lands:

Township 21 South, Range 27 East, N.M.P.M.

Section 31: All

Section 32: W2

Township 22 South, Range 26 East, N.M.P.M.

Section 1: All

Section 2: E2

Section 11: E2NE4

Section 12: All

Township 22 South, Range 27 East, N.M.P.M.

Section 5: All

Section 6: All

Section 7: All; and

WHEREAS, since execution of the Lease it has been determined that the original description does not perfectly and adequately describe the property leased and intended by the parties to be leased and SPC Resources LLC desires to correct and amend the description; and

WHEREAS, SPC Resources LLC has provided the City with additional properties described in the attached “Corrected Exhibit A to Oil and Gas Lease” that will correct and complete the properties to be leased as part of the **OIL AND GAS LEASE** Agreement; and

WHEREAS, the original Lease covered an estimated 831.86 gross acres, more or less; and

WHEREAS, the Lease is now intended to cover an estimated 862.25 gross acres, more or less; and

WHEREAS, the parties now seek to correct the lease description, amend and ratify the Lease to add an additional 30.3904 gross acres (24.5104 net acres); and

WHEREAS, SPC Resources LLC will pay the City adequate consideration for the additional acres added.

NOW THEREFORE, be it ordained by the Governing Body of the City of Carlsbad, County of Eddy, State of New Mexico, as follows:

1. The City and SPC Resources LLC agree to supersede and wholly replace the description contained in Exhibit “A” of the original 2017 Lease with the Exhibit “A” to **OIL AND GAS LEASE** attached hereto:

INTRODUCED, PASSED, ADOPTED AND APPROVED this 9th day of March, 2021.

/s/DALE JANWAY

DALE JANWAY, MAYOR

ATTEST:

/s/NADINE MIRELES

CITY CLERK