

ORDINANCE NO. 2023-27

AN ORDINANCE AUTHORIZING THE GRANTING OF AN OIL AND GAS LEASE ON CERTAIN MINERAL INTERESTS OWNED BY THE CITY OF CARLSBAD IN CERTAIN PORTIONS OF TOWNSHIP 22 SOUTH, RANGE 26 EAST, TO ALPHA ENERGY PARTNERS, II, LLC FOR A PER ACRE LEASE BONUS AND A 1/4TH ROYALTY

WHEREAS, the City of Carlsbad owns oil and gas rights throughout the City of Carlsbad; and

WHEREAS, Alpha Energy Partners II, LLC, a Texas limited liability company wishes to lease the oil and gas rights the City of Carlsbad owns in:

Township 22 South, Range 26 East, N.M.P.M. Eddy County, NM

That portion of the SE/4 of Section 25, which lies west of the centerline of U.S. Highway 62/180 (121.79 mineral acres, more or less)

and as more precisely described in the Oil and Gas Lease attached hereto and made a part hereof; and

WHEREAS, the Governing Body of the City of Carlsbad wishes to enter into the Oil and Gas Lease for the purpose of generating revenue; and

WHEREAS, the City of Carlsbad would receive a per net mineral acre lease bonus and a 1/4th royalty, which is equal to or greater than the standard royalty received in oil and gas leases granted by the State of New Mexico Land Office; and

WHEREAS, the terms of the lease, the time and manner of payments on the lease, and the amount of the lease are more fully described in the Oil and Gas Lease attached hereto and made a part hereof.

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

INTRODUCED, PASSED, ADOPTED AND APPROVED this 12th day of December, 2023.

/s/Dale Janway

DALE JANWAY, MAYOR

ATTEST:

/s/Nadine Mireles

CITY CLERK