

ORDINANCE NO. 2024 - \_\_\_\_\_

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 23 SOUTH, RANGE 26 EAST TO OXY Y-1 COMPANY FOR A PER ACRE LEASE BONUS AND A ONE-FOURTH (1/4<sup>TH</sup>) ROYALTY

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

WHEREAS, OXY Y-1 Company, a New Mexico Corporation, wishes to lease the oil and gas rights the City of Carlsbad owns in:

Township 23 South, Range 26 East, N.N.P.M., Eddy County, New Mexico

The NE/4SW/4 and that part of the N/2SE/4 of Section 2, lying West of U.S. Highway 180, containing 92 acres, more or less, situated in Eddy County, New Mexico

And as more precisely described in the "PAID UP OIL AND GAS LEASE" attached hereto and made part hereof; and

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

WHEREAS, the City of Carlsbad would receive a per net mineral acre lease bonus and a one-fourth (1/4<sup>th</sup>) 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 \_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
RICHARD D LOPEZ, MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK