



Legislation Text

File #: 2012-0383, **Version:** 2

Request for Consideration and Approval of an Oil and Gas Lease with Jordan Management Company, L.L.C.

Whereas, Jordan Management Company, a Michigan company, and/or its subsidiaries has requested to enter into a lease agreement ("the Lease") with the City of Rochester Hills for the right to explore for oil and gas reserves under City-owned land; and

Whereas, City property covered under terms of the Lease, including optional lands, are held under clear title by the City of Rochester Hills, and

Whereas, the Lease identifies various terms and conditions, including lease rates, royalty shares and primary terms, and

Whereas, the location of oil and gas facilities on the City Parks property is prohibited, subject to the terms of the Lease, and

Whereas, the City retains ownership of all mineral rights on the property, subject to the terms of the Lease.

Whereas, the form of the agreement has been further reviewed by the City Attorney and Mayor; and

Whereas, exhibits have been clarified and attached to the Lease, including property descriptions and supplemental conditions; and

Whereas, the City Attorney has provided his written legal opinion which concurs with his verbal opinion that the proposed oil and gas lease is for subterranean exploration and extraction, does not affect the surface use, and is therefore permitted under the City Charter parkland and open space amendment.

Resolved, that the Rochester Hills City Council hereby approves the proposed Oil and Gas Lease with Jordan Management Company, LLC.

Be It Further Resolved, that any proposed changes in the future language must be brought back before the City Council for review and approval.