



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____
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DATE: 05/10/2022

SUBJECT: APPROVAL OF TEXAS GENERAL LAND OFFICE COUNTY ROAD BONUS FORM WITH TEP BARNETT USA, LLC - REF. 0.467 ACRES COMPRISING WHITE SETTLEMENT ROAD, LOCATED IN THE RIVERCREST BLUFFS UNIT, JOHN WATSON SURVEY, A-1670, TARRANT COUNTY, TEXAS

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve a County Road Bonus Form required by the Texas General Land Office (GLO) in response to an Application for Pooling Unleased County Road as applied for by TEP Barnett, USA, LLC (Total) for approximately 0.467 acres comprising of a portion of White Settlement Road located within the boundaries of the Rivercrest Bluffs Unit, John Watson Survey, A-1670, Tarrant County, Texas, as set forth in the attached application and map.

BACKGROUND

Total TEP Barnett USA, LLC took over the Rivercrest Bluffs Unit in 2016. Total now plans to drill a new well within the Rivercrest Bluffs Unit and requires permission to pool this portion of unleased county road. Total is seeking to force pool all unleased properties within this Unit under the Mineral Interest Pooling Act (MIPA) with the Texas Railroad Commission. The GLO requires a Pooling Right-of-Way Agreement for state and county owned properties when MIPA applications are filed. The County will receive the full bonus amount but will need to approve and execute the County Road Bonus Form before the GLO will approve the final Pooling Right-of-Way Agreement. The purpose of the requested bonus form is to allow the drilling and completion of the new well(s) and to ensure that Tarrant County is included as a lessor and future payee in the Unit. Tarrant County will also be paid back-royalties from 2016 to present. The total County acreage to be included in the Rivercrest Bluffs Unit is 0.467 acres.

Argent Mineral Management serves as the agent for the County in oil and gas matters and has confirmed the proposed Units include unleased mineral acres that Tarrant County owns under White Settlement Road. Argent Mineral Management has recommended the approval of the County Road Bonus Form at the offered terms of \$2,500.00 per net acres bonus.

The Criminal District Attorney's Office has reviewed this document as to form.

FISCAL IMPACT

Tarrant County will receive a lease bonus of \$1,167.50 and an unspecified amount of back royalties based on production from the date TEP acquired this interest from CHK. Assignment and Bill of Sale from CHK to TOTAL E&P USA Barnett LLC, recorded in D216266566, Tarrant County Property Records.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Maegan P. South
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