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## City Council Regular Meeting

**DEPARTMENT:** Legal

**FROM:** Matt Ribitzki, Deputy City Attorney/Compliance Manager

**MEETING:** August 15, 2022

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**SUBJECT:**

Consider approval of a resolution authorizing a settlement and stipulation of the City of Burleson, Texas's proof of claim in the Chesapeake Energy Corporation, et al., bankruptcy matter (United States Bankruptcy Court for the Southern District of Texas, Houston Division, Case No. 20-33233); providing a repealing clause and an effective date. (*Staff Contact: Matt Ribitzki, Deputy City Attorney/Compliance Manager*)

**SUMMARY:**

In 2016, the City filed a lawsuit against Chesapeake Exploration, LLC, Chesapeake Marking, LLC, and Chesapeake Energy Marketing LLC (together "Chesapeake") along with other defendants alleging, among other allegations, underpayment of royalties from various oil and gas leases. On June 28, 2020, Chesapeake filed for bankruptcy relief in the United States Bankruptcy Court for the Southern District of Texas. In October of 2020, the City filed a proof of claim in the bankruptcy that asserted claims related to the lawsuit. In November of 2021, because of the bankruptcy filing, the City nonsuited its claims against Chesapeake.

The proposed resolution authorizes city staff to settle and stipulate the amount of the claim in the Chesapeake bankruptcy.

On November 8, 2021, the City Council passed a resolution resolving the lawsuit on behalf of the City with the other defendants in the lawsuit - Total E&P USA, Inc., Dorchester Resources, L.P., Jamestown Resources, L.L.C., and Larchmont Resources, L.L.C.

**OPTIONS:**

- 1) Approve the resolution.
- 2) Deny the resolution.

**RECOMMENDATION:**

None.

**FISCAL IMPACT:**

n/a

**STAFF CONTACT:**

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