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## TOWN COUNCIL CONSENT AGENDA COMMUNICATIONS

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**AGENDA DATE:** October 21, 2024

**SUBJECT:** Amendment of Oil and Gas Lease Between Town of Johnstown and PDC Energy, Inc.

**ATTACHMENTS:**

1. Memorandum from Jeremy Scott, Special Counsel to the Town of Johnstown
2. Amendment of Oil and Gas Lease
3. Letter from Chevron (PDC Energy, Inc. Parent)
4. Order for Payment Authorization
5. Original Lease Agreement

**PRESENTED BY:** Matt LeCerf, Town Manager

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### AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is an amendment to the lease agreement between the Town of Johnstown and PDC Energy, Inc. for oil and gas. The original lease was approved by Council on February 22, 2023 and executed by the Town Manager on March 20, 2023.

This amendment would include two changes to the initial lease agreement which includes:

- Total acreage leased by the Town to PDC from 27.6293 acres to 34.8529.
- Extension of the term length in the addendum from March 20, 2024 to March 20, 2026 due to a typographic error.

A memorandum is included with this correspondence from Special Counsel, Jeremy Scott who reviews Town Oil & Gas matters.

The original lease agreement was explored with two entities and PDC offered the most competitive and beneficial offer to the Town.

*The Community that Cares*

**STRATEGIC PLAN ALIGNMENT:**

Organizational Excellence & Public Trust

- *Strengthen public trust and confidence*
- Healthy & Resilient Economy
  - *Support the local labor market and work with partners to grow diverse employment opportunities*
- Natural & Built Environment
  - *Invest in, enhance, and conserve our parks, open spaces, agricultural areas and natural environment*

**LEGAL ADVICE:**

Special Counsel reviewed and assisted in drafting of the amendment presented.

**FINANCIAL ADVICE:**

An additional payment will take place for the increase in leased acres by PDC Energy.

**RECOMMENDED ACTION:** Approve the First Amendment to the lease agreement and authorize the Town Manager to execute the associated documents to approve the amendment.

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*Reviewed and Approved for Presentation,*



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Town Manager