



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 08/27/2024

REQUESTER: Rickey Knighton II, Interim City Attorney

PRESENTER: Elisabeth E. Muckala, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF RECOMMENDATION FROM THE CITY ATTORNEY THAT THE CITY COUNCIL APPROVE A SETTLEMENT AND ACCEPT SETTLEMENT PAYMENT IN EL DORADO MINERALS, LLC V. COFFEYVILLE RESOURCES REFINING & MARKETING, UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF OKLAHOMA COURT CASE NO. 23-CV-249-JAR, IN THE AMOUNT OF \$414.83.

BACKGROUND:

A class action lawsuit was filed by El Dorado Minerals, LLC (“El Dorado”) against Coffeyville Resources Refining & Marketing, LLC (“Coffeyville”) in Oklahoma Federal Court (the “Class Action”). The Class Action relates to production payments made on wells operated by Coffeyville between December 16, 2016 and October 22, 2022. The class was defined to include persons or entities who received late payments without correct statutory interest payment or persons and entities may have been remitted as unclaimed property to certain government divisions during this period of time. The City of Norman falls within this class due to its receipt of production payments by Coffeyville on the Norman 1-18 and Norman 3-18 wells operated by Coffeyville during this period of time, and was identified as a class member in terms of the lawsuit and ultimate settlement of the Class Action, which agreement was submitted for court approval in August of 2023. In January of 2024, a judgment was entered based on the approved settlement. Thereafter, checks reflecting the settlement terms were mailed and the City received one totaling \$414.83.

DISCUSSION:

This item is brought for City Council’s acceptance of the settlement and settlement amount received by the City in full and final satisfaction of the claims involved in the Class Action. As in other settlements presented to the City Council, acceptance of the settlement amount would constitute a total release of any claim the City of Norman may have had for any incorrect payments made by Coffeyville, as described in the Class Action documents, during the relevant period of time.

Legal staff has reviewed the Class Action generally, the Settlement approved in late 2023, and

the Judgment entered in 2024. Legal staff has further reviewed the City of Norman's revenue from Coffeyville during this same general period of time. Production has been historically consistent for the relevant wells, as has the City's receipt of regular payments from Coffeyville. The amount of revenue received for these interests is not insignificant. For example the revenue for the ten months between January and October of 2022 totaled nearly \$54,000.

If accepted by City Council, the settlement funds would be deposited into the General Fund, into Account 109-365251 (Reimbursements-Refunds-Misc General).

RECOMMENDATION:

Based on the consistent and reliable revenue source these payments have historically been, the Legal Department believes the settlement amount represents a fair final settlement of a claim, if any, the City may have made for payments during the relevant claim period. It is believed that the accepting the settlement amount is in the best interests of the City. It is recommended the settlement of this matter be approved by City Council and that City staff be directed to accept and deposit the payment into the above-outlined account in full and final satisfaction of all claims stated in the subject Class Action.