

SUMMARY PAGE

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, authorizing the leasing of the County's interests in the oil, natural gas and other hydrocarbons from all formations deeper than six hundred and fifty feet (650') above the top of the Tully Formation underlying Deer Lakes Park on the condition that no drilling activity to extract oil, natural gas and other hydrocarbons shall be conducted anywhere on the surface of Deer Lakes Park.

On September 27, 2013, the County, through its Division of Purchasing and Supplies, issued a Request for Proposals identified as Specification No. 7154 under which the County requested qualified and responsible parties to submit a proposal to lease the County's interest in the oil, natural gas, shale and other valuable subsurface rights at Deer Lakes Park (the Deer Lakes Mineral Rights) without conducting any drilling operations anywhere on the surface of the Park. Range Resources – Appalachia, LLC and Huntley & Huntley Energy Exploration, LLC, (Range-Huntley) jointly submitted a proposal in response to Specification No. 7154 to lease the County's interest in the Deer Lakes Mineral Rights without drilling anywhere on the surface of Deer Lakes Park, hereinafter "the Proposal. The County has reviewed the Proposal and, after lengthy negotiations, has reached an agreement with Range-Huntley for the leasing of the Deer Lakes Mineral Rights, which includes, among other things, an express condition that no drilling activity to extract oil, natural gas and other hydrocarbons shall be conducted anywhere on the surface of Deer Lakes Park.

Article IV, Section 2 (k) of the Allegheny County Home Rule Charter provides that County Council has the power to authorize the leasing and the use of County-owned land, buildings and other real and personal property by enactment of an ordinance

This proposed ordinance authorizes the leasing of the Deer Lakes Mineral Rights to Range Resources – Appalachia, LLC and Huntley & Huntley Energy Exploration, LLC on the condition that no drilling activity to extract oil, natural gas and other hydrocarbons shall be conducted anywhere on the surface of Deer Lakes Park. The proposed ordinance further authorizes appropriate county officers and officials, including but not limited to the County Manager and the County Solicitor, to take any and all such actions deemed necessary to carry out the leasing of the Deer Lakes Mineral Rights to Range Resources – Appalachia, LLC and Huntley & Huntley Energy Exploration, LLC.

Bill No. _____

No. _____

ORDINANCE

An Ordinance of the County of Allegheny, Commonwealth of Pennsylvania, authorizing the leasing of the County's interests in the oil, natural gas and other hydrocarbons from all formations deeper than six hundred and fifty feet (650') above the top of the Tully Formation underlying Deer Lakes Park on the condition that no drilling activity to extract oil, natural gas and other hydrocarbons shall be conducted anywhere on the surface of Deer Lakes Park.

WHEREAS, the County of Allegheny, hereinafter "the County," is the owner of a tract of real property consisting of approximately 1,180 acres in Frazer and West Deer Townships real property known as Deer Lakes Park; and

WHEREAS, the County also is the owner of oil, natural gas, shale and other valuable subsurface rights at Deer Lakes Park, hereinafter collectively referred to as "the Deer Lakes Mineral Rights;" and

WHEREAS, the County, through its Division of Purchasing and Supplies, issued a Request for Proposals identified as Specification No. 7154 on September 27, 2013 under which the County requested qualified and responsible parties to submit a proposal to lease the County's interest in the Deer Lakes Mineral Rights without drilling anywhere on the surface of Deer Lakes Park; and

WHEREAS, Range Resources – Appalachia, LLC and Huntley & Huntley Energy Exploration, LLC, hereinafter referred to collectively as "Range-Huntley" jointly submitted a proposal in response to Specification No. 7154 to lease the County's interest in the Deer Lakes Mineral Rights without drilling anywhere on the surface of Deer Lakes Park, hereinafter "the Proposal;" and

WHEREAS, the County has conducted a careful and considered review of the Proposal submitted by Range-Huntley; and

WHEREAS, the County has conducted lengthy negotiations with Range-Huntley for the lease of the Deer Lakes Mineral Rights in accordance with the general framework, terms, conditions and requirements set forth in Specification No. 7154; and

WHEREAS, the County has reached an agreement with Range-Huntley for the lease of the Deer Lakes Mineral Rights, which includes, among other things, an express condition that no drilling activity to extract oil, natural gas and other hydrocarbons shall be conducted anywhere on the surface of Deer Lakes Park; and

WHEREAS, Article IV, Section 2 (k) of the Allegheny County Home Rule Charter vests County Council with the authority to approve the leasing and the use of County-owned land, buildings and other real and personal property by enactment of an ordinance; and

WHEREAS, County Council is of the considered opinion that the public interest of the citizens of Allegheny County would be advanced by authorizing and approving the leasing of the Deer Lakes Mineral Rights to Range-Huntley.

The Council of the County of Allegheny hereby enacts as follows:

SECTION 1. Incorporation of the Preamble.

The provisions set forth in the preamble to this Ordinance are incorporated by reference as set forth in their entirety herein.

SECTION 2. Authorization to Lease the Deer Lakes Mineral Rights.

County Council does hereby authorize the leasing of the Deer Lakes Mineral Rights to Range Resources – Appalachia, LLC and Huntley & Huntley Energy Exploration, LLC on the condition that no drilling activity to extract oil, natural gas and other hydrocarbons shall be conducted anywhere on the surface of Deer Lakes Park.

SECTION 3. Authorization to Effectuate Lease.

The appropriate County officers and officials, including but not limited to the County Manager and the County Solicitor, are authorized to take any and all such actions deemed necessary to carry out the leasing of the Deer Lakes Mineral Rights to Range Resources – Appalachia, LLC and Huntley & Huntley Energy Exploration, LLC.

SECTION 4. Severability. *If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance, which shall be in full force and effect.*

SECTION 5. Repealer. *Any Resolution or Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Resolution.*

Enacted in Council, this _____ day of _____, 2014.

Council Agenda No. _____

John DeFazio
President of Council

Attest: _____

Jared Barker
Chief Clerk of Council

Chief Executive Office _____, 2014

Approved: _____

Rich Fitzgerald
County Executive

Attest: _____

Sonya Dietz
Executive's Secretary