



**Board Action Required X**

No Action Required

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To: Coppell ISD Board of Trustees  
From: Sid Grant  
Date: February 19, 2008  
cc: Dr. Jeff Turner, Kelly Penny, Denise Sullivan, Robert Key

**Re: Oil and Gas Lease Recommendation**

With the assistance of oil and natural gas consultant, Mr. Robert Key, Denise Sullivan advertised and sent a Request for Proposal (RFP) to several area energy companies for the purposes of obtaining competitive offers for the natural gas development on Coppell ISD Lands. The RFP listed the legal descriptions of all available lands, while stating in the RFP that, "The District will entertain leasing all or a part of the tracts listed". The RFP was advertised for two consecutive weeks in a local county newspaper, was posted on our website during the RFP process, and was sent directly to: Chesapeake Energy, Chief Oil and Gas, Devon Energy, Eurenergy Texas, PFM, and XTO Energy.

The proposal satisfying all the terms of the RFP was received from Mr. Todd McGinley of Chesapeake Energy. From the time of the bid opening on January 15, 2008, our consultant, Mr. Key, has been working closely with Chesapeake Energy negotiating and refining the terms of the potential agreement.

Regarding the lease of minerals, District Policy CDB (Legal) requires that "The Board must give notice of its intention to lease the land. The notice must be published once a week for three consecutive weeks in a newspaper published in the county and with general circulation in the county, and shall:

1. Describe the land to be leased;
2. Designate the time and place at which the Board will receive and consider bids for the lease.

This requirement has been met.

Mr. Key has negotiated an agreement that CISD staff believes to be a very lucrative and competitive proposal. Mr. Key will be present at the February 25, 2008 Board meeting to present in detail the terms that have been negotiated and are being recommended to the Board of Trustees for approval.

We will be asking that the Board consider approving the proposal by Chesapeake Energy for the lease of mineral rights pending the finalization of all legal contract work (The exact terms of this proposal will be presented to the Board on Monday night, February 25, 2008). We will employ legal counsel for the actual contract negotiations and final approval.