

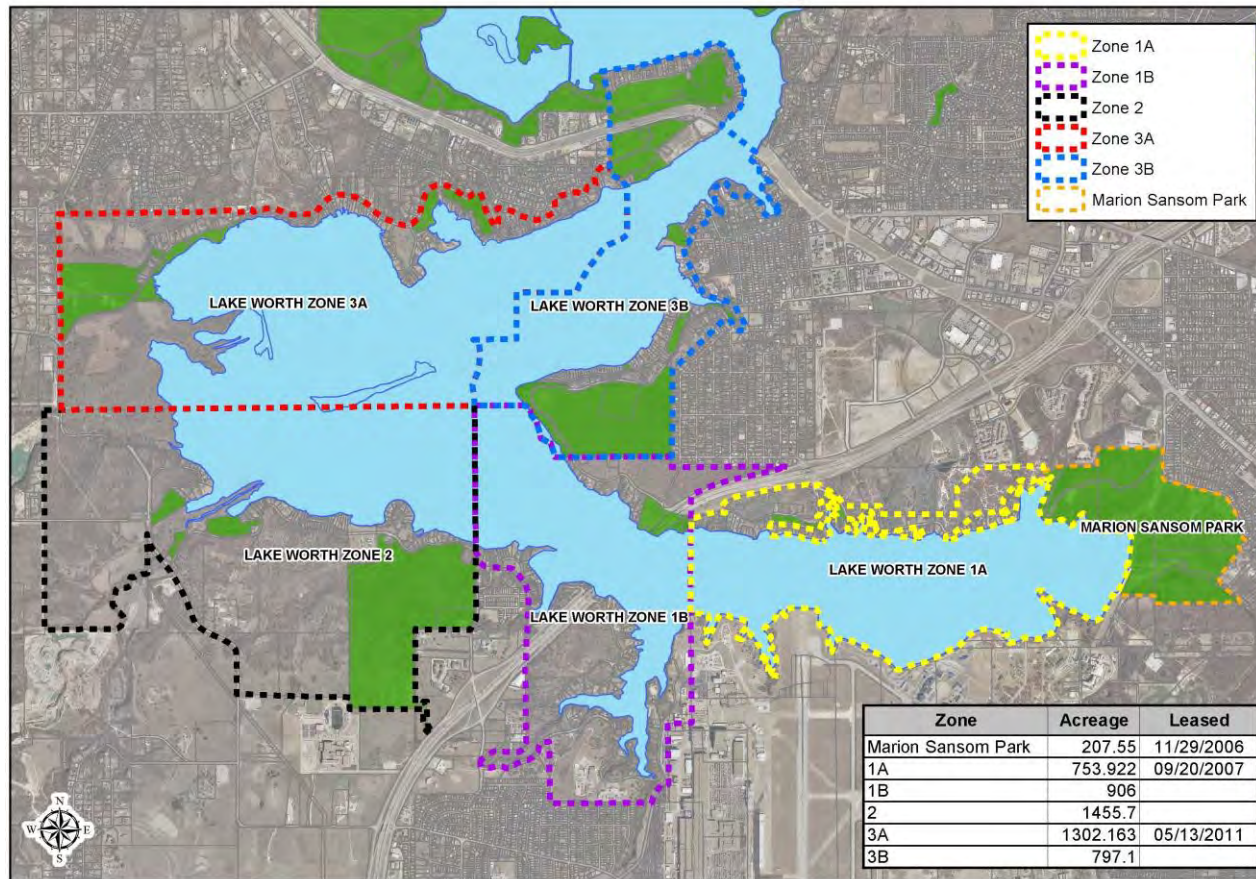
# Lake Worth Natural Gas Leases

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For Lake Worth Regional Coordination Committee

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# Lake Worth Natural Gas Lease Zones



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# Lake Worth Natural Gas Leases Held by Production

LOCATION	LEASE DATE	BONUS/ACRE	TOTAL ACRES	BONUS REVENUE	PROJECTED ROYALTY*	TOTAL	ACTUAL BONUS AND ROYALTY
<i>ACTUAL</i>							
MARION SANSOM PARK*	11/29/2006	\$ 10,111.00	207.55	\$1,993,611	\$ 7,004,813	\$8,998,423.65	
LAKE WORTH ZONE 1A*	9/20/2007	\$ 9,111.00	753.922	\$6,525,534	\$ 25,444,867	\$31,970,401.17	
ZONE 3A - NE LAKE TO 199	5/13/2011	\$ 8,277.00	1302.163	\$10,678,003	\$ 46,068,750	\$56,746,753.00	
<b>TOTAL</b>			<b>2263.635</b>	<b>\$19,197,148</b>	<b>\$ 78,518,430</b>	<b>\$97,715,577.82</b>	<b>\$ 43,654,201.00</b>

UNAUDITED

\*Royalty projections based on the following which is subject to actual production and natural gas market fluctuations:

20 year life of well

25% Royalty

\$3.00/MCF

Recovery of 20%

# Producing Wells at Lake Worth

- Revenue from 28 producing wells
- Annual net revenue for 2018 estimated at \$3.5 million
- Monthly revenue in 2018
  - Average \$250,000+



# Revenue dedicated to Lake Worth

- The City's Financial Management Policy Statements dedicate revenue from gas leases at Lake Worth to the 2007 Capital Improvement Implementation Plan (2007 CIIP) until \$117,077,508 in revenue reached
- 2007 CIIP included 14 major capital projects
  - Water Department manages the projects and expenditures
- Nature Center property is separate from Lake Worth
  - Future gas lease(s) revenue is dedicated to the Nature Center

## 2007 LAKE WORTH CIIP PROJECT LIST

PROJECT	COST ESTIMATE	DESIGN START	CONSTRUCTION START
Lake Dredging	\$30,706,885	2008	2011
Arrow S/Casino Beach Boat Ramp Improvements	\$630,804	2008	2009

PROJECT	COST ESTIMATE	DESIGN START	CONSTRUCTION START
Nature Trail (Phase I) and Lake Worth Parks Improvements	\$9,000,000	2008	2010
Comanche Creek Drainage Channel	\$1,300,000	Under Design	2008
Woodvale Low Pressure Sewer System	\$2,200,000	Under Design	2008
20" Northside III Water Main Along IH820 (Water Project #1)	\$2,200,000	Under Design	2008
Access Control Improvements	\$1,715,612	2009	2010
Love Circle/Casino Beach Water (Water Project #2) & Sewer	\$9,057,875	2010	2011
Sunset Park/Freemons Park Boat Ramp Improvements	\$1,023,823	2010	2011
Nature Trail (Phase II)	\$9,636,014	2012	2013
Watercress Low Pressure Sewer System	\$4,428,576	2012	2013
Maintenance Fund	\$9,550,000	2013	2013
Northside II Water Improvements (Water Project #3)	\$26,554,064	2015	2017
SW Silver Creek Road Expansion	\$9,073,855	2015	2016
<b>Total:</b>	<b>\$117,077,508</b>		

# Future Lease Zones

LOCATION	LEASE DATE	PROJECTED BONUS/ACRE	TOTAL ACRES	PROJECTED BONUS REVENUE	PROJECTED ROYALTY	TOTAL	ACTUAL BONUS AND ROYALTY
<b>PROJECTED**</b>							
ZONE 1B - W OF 820		\$1,000.00	906	\$ 906,000	\$ 30,577,500	\$ 31,483,500	\$ -
ZONE 2 - SOUTH LAKE		\$1,000.00	1465	\$ 1,465,000	\$ 49,443,750	\$ 50,908,750	\$ -
ZONE 3B - NW LAKE		\$1,000.00	797	\$ 797,000	\$ 26,898,750	\$ 27,695,750	\$ -
TOTAL PROJECTED LAKE			3168	\$ 3,168,000	\$ 106,920,000	\$ 110,088,000	\$ -

**\*\*Note: Revenue above is an estimate based on market prices and willingness of gas companies to lease**

# Future Natural Gas Leases

- Leasing is dependent on several factors
  - Market rate for natural gas
    - \$4.00 to \$6.00 per mcf (thousand cubic feet)
    - Current market rate in last 12 months ranges from \$2.64 to \$3.63 per mcf
  - Interest and budgets of gas companies
    - Budgets are going to oil production
- Leases will be advertised for public bid by zone
- Leases are not anticipated to include drillsites on City property



# Thank you

