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Chesapeake Operating, Inc. v. City of Shreveport

Court of Appeal of Louisiana, Second Circuit - January 29, 2014 - So.3d - 48, 608 (La.App. 2 Cir. 1/29/14)

Gas well operator filed four concursus actions, naming city and parish commission as defendants, seeking a determination of whether city or parish was entitled to receive royalties from mineral production from operator's gas wells, which were located on land underlying public roads, for which both city and parish had executed mineral leases in favor of well operator.

Concursus actions were consolidated and assignee of well operator's interest in city's mineral lease was permitted to intervene. City and assignee, whose interests were aligned with city's, filed separate motions for summary judgment, and parish and well operator filed cross-motion for summary judgment. The District Court determined that parish was entitled to receive proceeds of mineral production attributable to disputed properties, and granted summary judgment in favor of parish and well operator. City and assignee appealed.

The Court of Appeal held that, as matter of first impression, city's annexation of public roads owned by parish transferred ownership of such roads to city, and thus, city had authority over mineral rights in the land underlying disputed roads and right to receive proceeds of mineral production therefrom.