

RESOLUTION NO. 2013-14

A RESOLUTION AMENDING RESOLUTION NO. 2011-19 TO  
REVISE FEES PERTAINING TO PIPELINES AND OIL AND  
GAS WELL DRILLING.

WHEREAS, Chapter 42 entitled "Environment" and Chapter 125 entitled "Zoning" provide that the City collect fees associated with pipeline and oil and gas well drilling; and

WHEREAS, these fees have been determined based upon the City's costs to review applications and monitor operations for the purpose of promoting public health, safety and welfare in areas that are not pre-empted by federal and state regulations; and

WHEREAS, the City intends to provide minimum monetary standards to be borne by all persons engaged in such operations in cases of damage to the environment and public infrastructure, bodily injury, and property damage; and

WHEREAS, the City recognizes the need to require specific monetary amounts to discourage violators of regulations pertaining to pipelines and oil and gas well drilling; and

WHEREAS, the City has reviewed the fee schedule approved by virtue of the adoption of Resolution No. 2011-19 and has determined that revisions to such schedule are necessary in order to ensure that the City's continuing interest in the preservation of public health, safety and welfare is adequately protected.

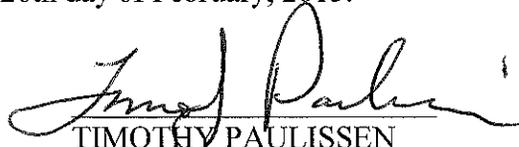
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts and opinions in the preamble of this resolution are true and correct.

Section 2. The City Council hereby approves and adopts the fees pertaining to pipelines and oil and gas well drilling, being attached hereto as Exhibit "A".

Section 3. All resolutions and agreements and parts of resolutions and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

PASSED AND ADOPTED the 26th day of February, 2013.

  
TIMOTHY PAULISSEN  
Mayor

  
DIANA M. STAPP  
City Secretary

<b>Pipeline, Oil &amp; Gas Fee Table</b>			
<b>Application Fees</b>			
	<b>Processing Fee <sup>1</sup></b>	<b>Technical Advisor Fee <sup>2</sup></b>	
<i>Special Use Permit (SUP)</i>	\$1,000	TBD by Advisor	
<i>Drilling Permit Application</i>	For 1 Well - \$2,500; Each add'l well - \$650	TBD by Advisor	
<i>Re-work Permit Application</i>	For 1 Well - \$2,500; Each add'l well - \$650	TBD by Advisor	
<i>Production Permit Application</i>	For 1 Tank - \$2,500; Each add'l tank - \$1,000	TBD by Advisor	
<i>Pipeline Permit Application</i>	Up to 5,000 linear feet - \$2,300; Each add'l linear foot - \$0.17	TBD by Advisor	
<i>Pipeline Modification Permit Application</i>	Up to 5,000 linear feet being modified - \$2,300; Each add'l linear foot being modified - \$0.17	TBD by Advisor	
<i>Pump Station Permit Application</i>	\$2,500	TBD by Advisor	
<i>Amended Permit Application</i>	\$1,000	TBD by Advisor	
<b>Permit Fees</b>			
	<b>Processing Fee <sup>3</sup></b>	<b>Technical Advisor Fee <sup>2</sup></b>	<b>Bond or Letter of Credit</b>
<i>Drilling Permit</i>	For 1 Well - \$2,500; Each add'l well - \$1,250	TBD by Advisor	\$1 million per well
<i>Re-work Permit</i>	For 1 Well - \$2,500; Each add'l well - \$1,250	TBD by Advisor	\$1 million per well
<i>Production Permit</i>	For 1 Tank - \$2,500; Each add'l tank - \$1,250	TBD by Advisor	\$1 million per well
<i>Well Plugging and Abandonment Permit</i>	For 1 Well - \$600; Each add'l well - \$300	TBD by Advisor	N/A
<i>Pipeline Permit</i>	Up to 5,000 linear feet - \$2,500; Each add'l linear foot - \$0.25	TBD by Advisor	\$500,000
<i>Pipeline Modification Permit</i>	Up to 5,000 linear feet being modified - \$2,500; Each add'l linear foot being modified - \$0.25	TBD by Advisor	\$500,000
<i>Pipeline Abandonment Permit</i>	Up to 5,000 linear feet being abandoned - \$600; Each add'l linear foot being abandoned - \$0.10	TBD by Advisor	N/A
<i>Pump Station Permit</i>	\$2,500	TBD by Advisor	\$1 million
<b>Maintenance Fees for All Permits</b>			
<i>Access Maintenance Fee</i>	TBD by Public Works Director <sup>4</sup>		
<i>Road Damage Fee</i>	TBD by Public Works Director <sup>5</sup>		
<b>Surety Fees for All Permits</b>			
<i>Commercial General Liability</i>	Min. \$1 million per occurrence		
<i>Excess or Umbrella Liability</i>	Min. \$10 million		
<i>Environmental Pollution Liability</i>	Min. \$5 million per loss		
<i>Control of Well Coverage</i>	\$10 million per occurrence; \$500,000 sub-limit endorsement		
<i>Worker's Compensation</i>	Texas Statutory limits		
<i>Employers Liability</i>	\$500,000 per accident		
<i>Automobile Liability</i>	\$1 million per occurrence (combined single limit)		
<b>Penalties</b>			
<i>Non-culpable Offense</i>	Max. \$1,000 per day		
<i>Culpable Offense</i>	Max. \$2,000 per day		

1: The Processing Fee shall be rendered with the application.

2: The City will send an invoice to the Applicant or Operator for remittance of the Technical Advisor Fee. The fee shall be paid by the Applicant or Operator.

3: The Processing Fee shall be rendered prior to the issuance of the permit and any renewal permits.

4: Calculated by the anticipated annual costs for access maintenance and cleaning of city rights-of-way.

5: Calculated by access lane miles for road type, the assessment per lane mile, and the number of lane miles. Replacement costs determined from current cost