

RESOLUTION NO. 2011-19

A RESOLUTION ADOPTING 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 well drilling.

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

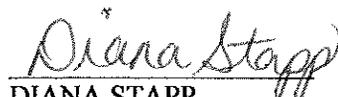
Section 1. The facts and opinions in the preamble of this resolution are true and correct.

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 All resolutions and agreements and parts of resolutions and agreements in conflict herewith are hereby repealed to the extent of the conflict only.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 July, 2011.

  
TIMOTHY PAULISSEN  
Mayor

  
DIANA STAPP  
Deputy City Secretary

**Resolution No. 2011-19  
Exhibit "A"**

<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>	
Special Use Permit (SUP)	\$1,000	\$150/hour	
Drilling Permit Application	For 1 Well - \$2,500; Each add'l well - \$650	\$150/hour	
Re-work Permit Application	For 1 Well - \$2,500; Each add'l well - \$650	\$150/hour	
Production Permit Application	For 1 Tank - \$2,500; Each add'l tank - \$1,000	\$150/hour	
Pipeline Permit Application	Up to 5,000 linear feet - \$2,300; Each add'l linear foot - \$0.17	\$150/hour	
Pipeline Modification Permit Application	Up to 5,000 linear feet being modified - \$2,300; Each add'l linear foot being modified - \$0.17	\$150/hour	
Pump Station Permit Application	\$2,500	\$150/hour	
Amended Permit Application	\$1,000	\$150/hour	
<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>
Drilling Permit	For 1 Well - \$2,500; Each add'l well - \$1,250	\$150/hour	Min. \$50,000 - Max. \$250,000 per well
Re-work Permit	For 1 Well - \$2,500; Each add'l well - \$1,250	\$150/hour	Min. \$50,000 - Max. \$250,000 per well
Production Permit	For 1 Tank - \$2,500; Each add'l tank - \$1,250	\$150/hour	Min. \$10,000 - Max. \$250,000 per well
Well Plugging and Abandonment Permit	For 1 Well - \$600; Each add'l well - \$300	\$150/hour	N/A
Pipeline Permit	Up to 5,000 linear feet - \$2,500; Each add'l linear foot - \$0.25	\$150/hour	\$500,000
Pipeline Modification Permit	Up to 5,000 linear feet being modified - \$2,500; Each add'l linear foot being modified - \$0.25	\$150/hour	\$500,000
Pipeline Abandonment Permit	Up to 5,000 linear feet being abandoned - \$600; Each add'l linear foot being abandoned - \$0.10	\$150/hour	N/A
Pump Station Permit	\$2,500	\$150/hour	Min. \$10,000 - Max.
<b>Maintenance Fees for All Permits</b>			
Access Maintenance Fee	TBD by Public Works Director <sup>4</sup>		
Road Damage Fee	TBD by Public Works Director <sup>5</sup>		
<b>Surety Fees for All Permits</b>			
Commercial General Liability	Min. \$1 million per occurrence		
Excess or Umbrella Liability	Min. \$10 million		
Environmental Pollution Liability	Min. \$5 million per loss		
Control of Well Coverage	\$10 million per occurrence; \$500,000 sub-limit endorsement		
Worker's Compensation	Texas Statutory limits		
Employers Liability	\$500,000 per accident		
Automobile Liability	\$1 million per occurrence (combined single limit)		
<b>Penalties</b>			
Non-culpable Offense	Max. \$1,000 per day		
Culpable Offense	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 not exceed \$150 per hour at a maximum of 40 hours.

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 per square yard of road surface material.