



Text File

File Number: 16-0850

Agenda Date: 2/23/2016

Version: 1

Status: New Business

In Control: Land Management

File Type: Agenda Item

Agenda Number: 13A.

Title

Consider and take action on a request by ConocoPhillips for variances to Chapter 42, Article IV, of the League City Code of Ordinances, entitled Drilling Production, Plugging and Abandonment for a possible Well Plugging and Abandonment permit of an existing well identified as Stewart Title & Guaranty Well #1, generally located south of the Sedona Subdivision, east of Hobbs Road and west of the Butler Road right-of-way (Director of Planning and Development)

Staff recommends approval subject to conditions.

..Background:

Beginning in October of 2014, City staff began coordinating with ConocoPhillips and their contractors on a soil remediation project located south of the Sedona Subdivision and west of the Butler Road right-of-way. The project had been requested by the Texas Railroad Commission (RRC) and involved the removal of approximately 7,000 cubic yards of contaminated soil from an old existing oil and gas "sludge pit" and replacement with clean soil. Two wells (known as Stewart Title and Guaranty Wells #1 and #6) were discovered during the remediation work. The applicant, ConocoPhillips, along with the Texas Railroad Commission, have researched both wells history and discovered that Well #1 had been properly plugged and abandoned in accordance with the Texas Railroad Commission in 1959. Well #6, a salt water disposal well, has no records of being properly plugged and abandoned.

Project Timeline:

December 6, 1935 - The Oil and Gas Division of the Railroad Commission of Texas issues a permit to the Phillips Petroleum Company to drill the subject well.

December 16, 1935 - The Phillips Petroleum Company begins drilling the well.

April 3, 1939 - The well is completed.

October 26, 1959 - The well is plugged and abandoned as indicated in records from the Texas Railroad Commission.

October 6, 2014 - A representative from Conestoga-Rover & Associates (CRA), a contractor for ConocoPhillips, contacts the Oil & Gas team to discuss a project to remediate existing sludge pits related to oil and gas projects abandoned decades prior. The site is located south of the Sedona Subdivision, and west of the Butler Road right-of-way, just north of the Ervin Street right-of-way.

February 9, 2015 - After CRA and the City of League City send notices to the surrounding property owners, the soil remediation project begins.

June 1, 2015 - Soil remediation project is completed.

September 16, 2015 - ConocoPhillips contacts the Planning Department regarding Stewart Title & Guaranty Wells #1 and #6. ConocoPhillips requests approval to initiate the plugging project as soon as possible. Concurrently, request was forwarded to City Attorney for interpretation of available options.

September 23, 2015 - Staff informs the applicant of the City Attorney's interpretation and variance option. In addition, the applicant submits requests for variances later that day.

October 21-22, 2015 - Staff coordinates with and the City Attorney who validates the Oil and Gas ordinance to allow the opportunity to request a variance given the nature of the request.

Project Summary:

ConocoPhillips proposes to cut an additional 2 to 3 feet off the top of the well casing in order for the top of the pipe to be further below grade and in further compliance with League City's ordinance. The Railroad Commission indicates that a permit will only be required for Well #1 if there is no cement found after cutting the top of the pipe. Should that be the case, ConocoPhillips would then plug the well in conformance to the current City and RRC regulations.

The truck route to the site will be the same that was utilized for the reclamation project, being I-45 to Ervin Street via Big League Dreams Parkway and Calder Road to minimize the distance between the site and the interstate. Work on the well will be performed from truck-mounted equipment specialized in completing wells. It is anticipated that it would take approximately 10 to 12 days to complete the work (accounting for weather and contingencies) with all work performed during daylight hours (6:30 a.m. to 7:00 p.m.). Once complete, the site would be returned its previous condition, undeveloped level ground. Conoco Phillips does not have any specific plans for the future of the property at this time.

The current Drilling Production, Plugging and Abandonment ordinance does not adequately address and provide for the management of pre-existing wells. All work performed by ConocoPhillips will be in accordance to city ordinances, to the greatest extent possible. To date, ConocoPhillips has provided staff with copies of their Spill Prevention and Procedures, Risk Management Assessment and Procedure and the Emergency Response Plan, all which are under review. Below is a list of the sections in which variances are requested from the current Oil & Gas regulations.

Section 42-192.(a)

Requires that a Special Use Permit (SUP) be granted prior to the issuance of a Well Plugging and abandonment permit.

Section 42-205.

Requires an aerial photograph of the area within 1,000 feet.

Section 42-206.

Requires deeds and property maps within 1,000 feet.

Section 42-207.

Requires a contact list of owners with surface, mineral or lease interests.

Section 42-208.

Requires copies of submitted application and permit from the Railroad Commission, a "Water Board" letter from TCEQ and any casing exceptions requested or granted.

Section 42-211.(a)

Requires a copy of the approved W-3A "Notice of Intention to Plug & Abandon" and W-3 "Plugging Record" forms from the Railroad Commission.

Section 42-213.

Requires the submission of a lighting plan.

Section 42-214.

Requires the submission of a Phase I and Phase II Environmental Assessment in accordance with TCEQ standards.

Section 42-232.

Requires access maintenance and roadway damage fees.

Section 42-256.

Requires lighting be place on site subject to an SUP and City ordinance.

Section 42-257.

Requires noise mitigation in relation to setbacks required by ordinance.

Section 42-258.(b).

Prohibits flaring a flammable product into the atmosphere.

Staff Recommendation:

The current Drilling Production, Plugging and Abandonment ordinance does not adequately address and provide for the management of pre-existing wells. The remediation work that has been performed to clean up the contaminated site benefits the neighboring properties and the city as a whole. In order to bring this beneficial project to closure, staff recommends approval of the variances subject to the following conditions:

If flaring is approved, the flare stack must be located on the side of the well away from residences and that should a flaring event occur, the applicant is to notify Public Safety immediately.

A pre-operational video of the roadways leading from the frontage road to Interstate 45 to the site be provided to staff prior to mobilization on the site. This will confirm the condition of the roadway.

In the event that damage to a City roadway occurs, the applicant must either pay League City to have the roadway repaired or repair the roadway to League City standards.

Attachments:

- Data Sheet
- Applicant Letter
- Aerial Map
- Texas Railroad Commission records

CONTRACT ORIGINATION:

Planning Department
Applicant/Owner: ConocoPhillips

FUNDING

NOT APPLICABLE

Funds are available from Account # _____

Requires Budget Amendment to transfer from Account # _____ to Account # _____
