



# City of League City, TX

300 West Walker  
League City TX 77573

## Text File

File Number: 18-0333

**Agenda Date:** 6/26/2018

**Version:** 1

**Status:** New Business

**In Control:** City Council

**File Type:** Agenda Item

### Title

Consider and take action on a resolution to amend Resolution No. 2013-14 to revise certain fees pertaining to pipelines and oil and gas drilling (Councilman Gripon and Mayor Hallisey)

### ..Background:

Approval of this item will amend Resolution No. 2013-14 to revise certain fees pertaining to pipelines and oil and gas drilling by reducing the bond / letter of credit amount to \$200,000.

On July 26, 2011, Council approved Resolution No. 2011-19 to adopt fees pertaining to pipelines and oil and gas drilling. The fees were 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. The City intended 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. Council also recognized the need to require specific monetary amounts to encourage compliance to regulations pertaining to pipelines and oil and well drilling.

On February 26, 2013, the regulations pertaining to oil and gas activities (such as drilling, production, and abandonment) and facilities (such as wells and pipelines) were amended by Resolution No. 2013-14 (attached) after better understanding of the industry. The proposed revisions included elimination of the maximum hourly fee for the city's technical advisors. Revisions also included the replacement of the range amount for bonding related to drilling, re-work, production and pump station permits with a standard required bond amount or letter of credit amount at \$1,000,000 per well.

The proposed resolution will amend Resolution No. 2013-14 to revise the bond or letter of credit amount to \$200,000 per well for permits related to drilling, re-work, production, pump station, pipeline and pipeline modification. This amended amount is near the average of the cities surveyed.

### Attachments:

1. Data Sheet
2. Proposed Resolution with New Fee Structure
3. Redline Proposed Fee Structure
4. Resolution 2013-14 and Adopted Fee Structure
5. Resolution 2011-19 and Adopted Fee Structure
6. Municipal Oil & Gas Fees Comparison
7. Bond Amount Average

### FUNDING

{ x } NOT APPLICABLE