



## Legislation Text

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**File #:** 24-0312, **Version:** 1

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Consider and take action on a resolution authorizing a conditional drilling permit for the Stewart Title #1 site, located along the north side of Ervin Street, approximately 930 feet east of Hobbs Road and 1,500 feet west of Calder Drive, in accordance with Chapter 42, Article III of the League City Code of Ordinances, entitled Oil and Gas Well Drilling (Director of Planning)

Council postponed 8-0-0 on June 11, 2024.

Approval of this item authorizes the City Manager to issue a conditional drilling permit for the Stewart Title #1 Drilling Permit along the north side of Ervin Street, approximately 930 feet east of Hobbs Road and 1,500 feet west of Calder Road. The drill site location is directly south and east of Sedona, Section 5. The applicant indicates that the drilling activities will take place within a two week time period.

On November 9, 2023, the Applicant received a permit (Permit No. 894780) from the Texas Railroad Commission to directionally drill a well approximately 10,500 feet deep.

Shortly thereafter, the Applicant formally submitted an application with documents for the City's third-party technical advisor, Aberdeen Drilling Consultants, Ltd. (ADC), to begin the technical review of the drilling permit application.

### **Project Summary:**

As a result of ADC's technical review / analysis of the project, a Final Report and a Non-Conformance List Summary was published, identifying the outstanding items. The attached report:

1. Identifies missing elements based on their review of the submitted documentation.
2. Classifies the missing elements into three categories: Critical, Major, and Minor; and,
3. Lists that there are four major and three minor open non-conformances remaining. The non-conformances are listed below.

#### Critical Non-Conformances

1. C.A.R. #6 - Based on Section 42-139 regulating Illicit Discharges
  2. C.A.R. #7 - Based on Section 42-143 regulating Well Control Equipment and Procedures
  3. C.A.R. #9 - Based on Section 42-148 regulating Access Management
  4. C.A.R. #10 - Based on Section 42-162 regulating Bonding or Irrevocable Letter of Credit.
- C.A.R. stands for Corrective Action Request.

#### Minor Non-Conformances

1. Based on Section 42-151 regulating Hours of Operation.
2. Based on Section 42-152 regulating the Drilling Foreman.
3. Based on Section 42-153 regulating the Watchman.

In addition, the Applicant is requesting 12 variances from the Drilling Ordinance to facilitate the exploratory drilling operation on this site. The list of requested variances is in Attachment #2. All of the requested variances have been previously requested on the Tidwell and Jewel drilling projects, in which staff has no objections. Approval or denial of any of the variance requests will not create any precedence for future variance requests.

### **Staff Recommendation:**

Staff recommends approval with the following conditions:

1. Consider and take action on the Stewart Title #1 Drilling Permit Requested Variances List.
2. Comply with the critical and minor comments in accordance with ADC's Final Report.
3. Authorize the Applicant to prepare, mobilize and "rig up" on the drill site in preparation to begin drilling operations.
4. Issue permission to begin drilling operations upon meeting:
  - a. Conditions #1 and #2 above, and;
  - b. The receipt of a pass rating as a result of a full survey of the rig by ADC based on industry standards.

Attachments:

1. Proposed Resolution
2. Exhibit A - Recommended Permit Conditions
3. ADC Stewart Title #1 Permit Application Review Final Report
4. Stewart Title #1 Drill Site Aerial and Distances

CONTRACT ORIGINATION:

Planning Department

FUNDING

{X} NOT APPLICABLE

STRATEGIC PLANNING

{X} NOT APPLICABLE