



Community Planning & Permitting

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MEMO TO: Board of County Commissioners
FROM: Dale Case, Director
DATE: April 21, 2021
RE: Registration Fees for oil and gas operators in unincorporated Boulder County per Article 12-400(B) of the Boulder County Land Use Code.

Dear Commissioners,

In Docket DC-19-0002, Boulder County Community Planning & Permitting department staff proposed comprehensive, text amendments to the Land Use Code based largely on changes made by S.B. 19-181, to the Code's regulations relating to oil and gas operations and facilities and seismic testing. Following significant research, public involvement, and public hearings, on December 15, 2020 the Boulder County Board of County Commissioners adopted the proposed amendments in Docket DC-19-0002. Article 12-400 of the new regulations requires all oil and gas operators within unincorporated Boulder County to have a current and valid registration in place. This registration must be renewed annually by July 31.

Article 12-400(B) clarifies that operators will pay a fee along with their registration. Today we are introducing the proposed fees under that section. We propose the following:

- \$2,083 per existing well (Fees collected annually based on number of wells as of January 1 per COGCC database)

These fees are based on a conservative estimate of the costs of staff time necessary to review and address issues identified in Article 12-500 related to existing oil and gas operations in unincorporated Boulder County. These fees include staff time from Community Planning & Permitting, Boulder County Public Health, the County Attorney's Office, Boulder County Public Works, and Boulder County Parks and Open Space. These fees will also cover the cost of procuring outside contractors for testing, expertise, or lab analyses required that cannot be performed by staff, along with the equipment costs for an infrared camera, which is necessary for detecting leaks. Similar costs related to any new wells that may be approved under Article 12 in the future will be collected in connection with the applications for those wells and, after wells are completed, will be rolled into the annual registration fee. More detail regarding these fees can be seen in Attachment A.

ATTACHMENT A

REGISTRATION FEES - COLLECTED ANNUALLY BASE ON NUMBER WELLS AS OF JANURAY 1 PER COGCC DATABASE

Ongoing work with companies with wells in Boulder County. Registration fee is calculated based on staff time to review and address issues related to ongoing oil and gas operations.

Assumptions	hours
Estimate work items take 3-25 hours to coordinate and process	
Annual work items (1-3 week - use average)	104
Annual hours(~8.5 hrs per request not counting PH time)	3,043
Total hours/year	3,043

Hours and Cost breakdown by Office

Yearly County Staff expenses estimates - working with existing wells and companies

Land Use	Annual hours	cost / per hour	total annual	notes
Position 1 (Senior Planner) - receive and process requests for repair and maintenance, p&a, flowline abandonment, coordinate with other departments	572	\$ 102 \$	58,344	includes benefitd and overhead calcs (will need to update overhead when we update later this year)
Deputy Director of Planning -- oversee and assist Position 1	300	\$ 150 \$	45,000	
Admin	15	\$ 30.00 \$	9,000	1% of admins time
total LU	872	\$	112,344	

Public Health		total annual Renewal	notes
Renewal calcs (PH spreadsheet - PH Oil and Gas Fee Hourly Rate Analysis.xls)	-	\$ 138,234	

Attorney			
	100	150 \$	15,000

Transportation			
Engineering and access	21	75 \$	1,560
Floodplain Admin	5	62	310

Open Space (referral role not as landowner)			
Staff members -- review of p&a, maintenance & repair, and flowline abandonment requests for natural resources issues	2,050	65 \$	133,250

Totals			
Total County hours	3,043		
	\$103,049		
Equipment costs (IR camera, etc.-- amortized for annual cost)--per IRS 168(i)(2), 5 year life	(total)	20,510	
Outside contractor costs (testing, lab analysis)		35,000	

Total \$ \$ 456,208

Approximate cost per well	\$ 2,083.14
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