

ORDINANCE NO. 2019-1119-01

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF TROUP, TEXAS AMENDING CHAPTER 4 (BUSINESS REGULATIONS) ARTICLE 4.08 (OIL AND GAS WELLS); PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Troup, Texas has previously adopted regulations concerning oil and gas wells located within the city limits and extra territorial jurisdiction of Troup, Texas; and

WHEREAS, said regulations have been codified in Chapter 4 (Business Regulations) Article 4.08 (Oil and Gas Wells); and

WHEREAS, the City Council for the City of Troup, Texas finds that certain amendments to Article 4.08 (Oil and Gas Wells) are necessary to further enhance the health, safety and welfare of its citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TROUP, TEXAS AS FOLLOWS:

I. AMENDMENTS

A. Chapter 4 (Business Regulations) Article 4.08 (Oil and Gas Wells) is hereby amended as follows:

- 1) Section 4.08.005 (Definitions), the reference to *inspector* and the definition of *inspector* is deleted.
- 2) Any and all references within Article 4.08 to *gas inspector* are hereby amended and replaced with *Code Enforcement Officer*.
- 3) Section 4.08.007 (Inspector) is hereby deleted in its entirety.
- 4) Section 4.08.018 (Onsite and Technical Regulations) is hereby deleted, save and except for subsection (gg) (Public Streets), which has been recodified as Section 4.08.017(a).
- 5) Section 4.08.018 subsection (hh) (Work Hours for Well Operations), has been recodified as Section 4.08.017(b); and Section 4.08.018 (ii) (Noise Restrictions for Gas Well Permits) has been recodified as Section 4.08.017 (c).
- 6) Section 4.08.019 (Fencing and Screening) is hereby deleted in its entirety.
- 7) Section 4.08.020 (Cleanup and Maintenance) is hereby deleted in its entirety.
- 8) Section 4.08.021 (Plugged and Abandoned Wells) is hereby deleted in its entirety, save and except for subsection (c) (Notice to Gas Inspector) which has been recodified as Section 4.08.017 (d) and renamed as Notice to Code Enforcement Officer.

9) Section 4.08.022 (Technical Advisor) is hereby deleted in its entirety.

10) Section 4.08.023 (Nuisance Declared and Prohibited; Penalties) is recodified as Section 4.08.018.

11) Section 4.08.024 (Periodic Inspection) is hereby deleted in its entirety.

12) Section 4.08.025 (f-n) are hereby deleted in their entirety.

13) Section 4.08.025 (Fees) (a-e) and (o) are hereby recodified as Section 4.08.019 (a-f).

14) Section 4.08.026 (Existing Operations) is hereby deleted in its entirety.

15) References to Section 4.08.025 found within Section 4.08.008 (c) (Development Plat Required), Section 4.08.010 (b) (Permit Application), Section 4.08.011 (b) (Permit Application Procedure), Section 4.08.012 (b) (1) (Amended Oil and Gas Well Permits), Section 4.08.014 (c) (Pipeline Permit Required), are hereby amended so as to delete references to Section 4.08.025 and replace said section reference with Section 4.08.019.

16) Section 4.08.009 (e) is hereby amended to delete the last sentence from said section stating, "The sign shall comply with the requirements of Section 4.08.018 (y)", said reference is hereby deleted.

B. All amendments referenced in Section IA herein are generally referenced in the attached **Exhibit A**.

II. REPEALER

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed to the extent of said conflict.

III. SEVERABILITY

Should any phrase, sentence, or section of this Ordinance be deemed invalid or illegal by a court or tribunal having jurisdiction, such findings shall not affect the remaining phrases, sentences, or sections of this Ordinance.


IV. EFFECTIVE DATE

This Ordinance shall take effect immediately upon its passage and approval by the City Council of Troup, Texas.

[Signature page follows]

PASSED AND APPROVED by the City Council of the City of Troup, Texas, this 19th day of October, 2019.

APPROVED BY:



Joe Carlyle, Mayor

ATTEST:



Buffie Deason, City Secretary

**OIL AND GAS REGULATIONS ORDINANCE
CITY OF TROUP, TEXAS**

**Section 4.08.001
Short Title**

This article shall be officially known and cited as the oil and gas ordinance of the city.

**Section 4.08.002
Authority**

This article is adopted under authority of the constitution and laws of the state, including particularly the Texas Local Government Code, and pursuant to the provisions of the ordinances of the city.

**Section 4.08.003
Purpose**

The exploration, development, and production of oil and gas are activities which necessitate reasonable regulation to ensure that all property owners, mineral and otherwise, have the right to peaceably enjoy their property and its benefits and revenues. It is hereby declared to be the purpose of this article to establish reasonable and uniform limitations, safeguards and regulations for present and future operations related to the exploring, drilling, developing, producing, transporting and storing of oil and gas and other substances produced in association with oil and gas to protect the health, safety and general welfare of the public; minimize the potential impact to property and mineral rights owners, protect the quality of the environment and encourage the orderly production of available mineral resources.

**Section 4.08.004
Jurisdiction**

(a) Land within the city limits. This article shall apply to all land within the corporate limits of the city. All activities commenced and/or continued after the effective date of this article shall be subject to this article.

(b) Land within extraterritorial jurisdiction. All applicable sections of this article, as permitted by the Texas Local Government Code, shall apply to all land within the extraterritorial jurisdiction of the city. All activities commenced and/or continued after the effective date of this article shall be subject to this article.

Section 4.08.005

Definitions

All technical industry words or phrases related to the drilling and production of oil or gas wells not specifically defined shall have the meanings customarily attributable thereto by prudent operators in the oil and gas industry. For the purposes of this article, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

Abandonment. As defined by the railroad commission and includes the plugging of the well and restoration of the drill site as required by this article. A well that is temporarily abandoned (shut-in) does not qualify as an abandoned well for the purposes of this article.

Affiliate. Any individual, partnership, association, joint-stock company, limited liability company, trust, corporation, or other person or entity who owns or controls, or is owned or controlled by, or is under common ownership or control with, the entity in question.

All-weather hard surface. A permanent surface that as a minimum is a base course constructed such that it meets the requirements of the International Fire Code, be at least 20 feet wide, have an overhead clearance of 14 feet, drains appropriately, remains water resistant, is free of litter, debris, weeds, grass or other objectionable materials or objects and is visibly dust free.

Ambient noise. One second sampling of the sound for a duration of at least two minutes or for a duration of at least fifteen minutes if sampling of one minute is used, excluding outside noises including, but not limited to; insects, airplanes, vehicular traffic, nearby drilling or production equipment and wind.

API. The American Petroleum Institute, or its successor in function, which issues specifications for the design of petroleum-related fixtures and products.

Base flood. The flood having a one-percent chance of being equaled or exceeded in any given year.

Berm. A mound of soil, either natural or manmade, used to obstruct a view. The side slope shall not exceed a three-foot horizontal and a one-foot vertical slope.

Blowout preventer. A mechanical, hydraulic, pneumatic or other device or combination of such devices secured to the top of a well casing, including valves, fittings and control mechanisms connected therewith, which can be closed around the

drill pipe, or other tubular goods which completely close the top of the casing and are designed for preventing the uncontrolled flow of oil, gas and drilling fluids from the well.

Building. Any primary structure used or intended for supporting or sheltering any use or occupancy. The term “building” shall be construed as if followed by the words “or portions thereof.”

Building inspector. The building inspector employed by or designated by the city.

Cathodic protection. An electrochemical corrosion control technique accomplished by applying a direct current to the structure that causes the structure potential to change from the corrosion potential to a protective potential in the immunity region. The required cathodic protection current is supplied by sacrificial anode materials or by an impressed current system.

City. The City of Troup, Smith and Cherokee Counties, Texas.

City attorney. The city attorney of the City of Troup, Texas.

City code. The code of ordinances of the City of Troup, Texas.

City council. The governing body of elected officials for the city.

City secretary. The city secretary of the City of Troup, Texas.

Closed loop system. A series of tanks including filters separators and shakers on the discharge side of the drilling process that contains byproducts of drilling such as cuttings and earthen materials to contain the byproducts and recycle useable materials for reuse in the drilling process.

Code Enforcement Officer. The Code Enforcement Officer of the City of Troup, Texas.

Commission. The Texas Railroad Commission, or its successor.

Completion. The date the work is completed for workover and flowback operations and the crew is released by completing its work or contract or by its employer.

Compressor. A device that raises the pressure of a compressible fluid such as air or gas. Compressors create a pressure differential to move or compress a vapor or a gas. More than one compressor as in a series may be located on a compressor pad site to adequately compress product.

Compressor station. A compressor that serves more than one lease area or a compressor that serves a pipeline.

Day. A calendar day.

Daytime. 7:00 a.m. to 8:00 p.m.

Derrick. Any portable framework, tower, mast and/or structure which is required or used in connection with drilling or reworking a well for the production of gas.

Drill site. The area used for drilling, completing, or reworking a well as well as all access roads into and out of said location.

Drilling. Any digging or boring of a new well to develop or produce oil or gas or to inject gas, water, or any other fluid or substance into the earth. Drilling means and includes the reentry of an abandoned well and/or reentry for the purpose of directionally drilling to establish a new well bore. Drilling does not mean or include the reentry of a well that has not been abandoned.

Drilling equipment. The derrick, together with all parts of and appurtenances to such structure, every piece of apparatus, machinery or equipment used or erected or maintained for use in connection with drilling.

Emergency response plan. A plan put in place to deal with emergency situations that may occur at the drill site during all stages of the drilling and production process.

Exploration. Geologic or geophysical activities, including, but not limited to surveying and seismic exploration, related to the search for oil, gas, or other subsurface oil or gas.

Fire code. The most recent fire code adopted by the city.

Fire department. The fire department of the city.

Fire marshal. The fire marshal of Smith and/or Cherokee County or the City of Troup.

Flaring. To dispose of surplus combustible vapors by igniting them in the atmosphere. This process may include the use of a series of secured piping to facilitate flow of gas and a combustion chamber to ignite the gas.

Flow back operations. Activities and processes used to expel water from a well in order to facilitate the production of gas.

Frac or fracking. The process of fracture stimulation of a rock formation.

Frac tank. A manmade water storage tank designed using earthen berms to contain water. These can be from existing ponds or other water storage tanks.

Gas. Gas or natural gas, as such terms are used in the rules, regulations, or forms of the Texas Railroad Commission, or its successor.

Gas well. Any well drilled for the production of gas or classified as a gas well under the Texas Natural Resources Code or identified as a gas well by the Texas Railroad Commission, or its successor.

Generator plant. The electrical service generated on site servicing the drilling rig and all associated equipment including personal living quarters.

Grounding and bonding. The means to ground all power and equipment on the drilling site to prevent electrical discharges and lightning protection.

Hazardous materials management plan. The hazardous materials management plan and hazardous materials inventory statements required by the fire code.

Isolation valves. Mechanical valves located at predesignated intervals on gas pipelines to shut the flow of gas in a pipeline to minimize an accidental release into the environment in the event of an emergency or to facilitate the controlled release of gas in connection with testing, maintenance, repair or inspection of pipelines. Isolation valves may be manually operated, automatic or remotely controlled by the pipeline operator.

New well. A new well bore or new hole established at the ground surface and shall not include the reworking of an existing well that has not been abandoned.

Nighttime. 8:00 p.m. to 7:00 a.m.

Oil. Oil or crude oil, as such terms are used in the rules, regulations, or forms of the Texas Railroad Commission, or its successor.

Oil well. Any well drilled for the production of oil or classified as an oil well under the Texas Natural Resources Code.

Oil/gas well permit. An oil or gas well permit applied for and issued or denied under this article authorizing the drilling, production, and operation of one or more oil or gas wells.

Operation. The construction, maintenance, or use of any installation, facility, or structure, directly or indirectly, to carry out or facilitate one or more of the following functions: abandonment, development, disposal, drilling, enhanced recovery, extraction, injection, processing, production, repair, reworking, storage, stimulation, or shipping of oil or gas, including site development.

Operator. For each well, the person listed on the railroad commission form W-1 or form P-4 for an oil or gas well.

Perforating. Piercing the casing wall and cement in a well bore by use of explosive charges to create holes through which formation fluids may enter or to provide holes in the casing so that materials may be introduced into the annulus between the casing and the wall of the well bore.

Person. Includes both the singular and plural and means a natural person, corporation, association, partnership, receiver, trustee, guardian, executor, administrator, and a fiduciary or representative of any kind.

Production. The period after the fracturing and flow back operations have been completed and natural gas has been run through a series of separators and tank batteries to metering devices and into the pipeline.

Property line. Surface property lines per this chapter.

Protected use. A residential structure, place of assembly, church, hospital or public or private school.

Public building. All buildings used or designed to and intended to be used for the purpose of assembly of persons for such purposes as deliberation, entertainment, amusement, or health care. Public buildings include, but shall not be limited to, theaters, assembly halls, auditoriums, armories, mortuary chapels, dance halls, exhibition halls, museums, gymnasiums, bowling lanes, libraries, skating rinks, courtrooms, restaurants, and hospitals.

Public park. Any land area dedicated to and/or maintained by the city for traditional park-like recreational purposes, but shall not include privately owned amusement parks.

Public right-of-way. Public streets, highways, alleys, sidewalks, pathways, trails, and bridges.

Railroad commission. The Texas Railroad Commission, or its successor.

Redrill. Recompletion of an existing well by deepening or sidetrack operations extending more than 150 feet from the existing well bore.

Reduced emission completion (green completion). Techniques or methods that minimize the release of natural gas and vapors to the environment when a well is being flowed during the completion or recompletion phase.

Religious institution. Any building in which persons regularly assemble for religious worship and activities intended primarily for purposes connected with such worship or for propagating a particular form of religious belief.

Residence. A house, duplex, apartment, townhouse, condominium, mobile home or other building designed for dwelling purposes, including those for which a building permit has been issued on the date the application for a gas well permit is filed and accepted by the city.

Reworking. Recompletion or reentry of an existing well within the existing bore hole or by deepening or sidetrack operations which do not extend more than one hundred fifty (150) feet from the existing well bore, or replacement of well liners or casings.

Rig-down. The day drilling has been completed and the rig is disassembled and all equipment prepared for movement from the pad site.

Rig-up. The process of setting up ancillary equipment and the drilling rig in order to begin the drilling process.

Right-of-way. Any area of land within the city that is acquired by, dedicated to, or claimed by the city in fee simple, by easement, by prescriptive right or other interest and that is expressly or impliedly accepted or used in fact or by operation of law as public roadway, sidewalk, alley, utility, drainage, or public access easement or used for the provision of governmental services or functions. The term includes the area on, below, and above the surface of the public right-of-way. The term applies regardless of whether the public right-of-way is paved or unpaved.

Right-of-way maintenance agreement. A written agreement provided by the city obligating the operator, at his own expense, to repair damage, excluding ordinary wear and tear, if any, including but not limited to, public streets, sidewalks, pathways, trails, and bridges. Damages to public rights-of-way caused by the operator or its employees, agents, contractors, subcontractors, or representatives in the performance of any activity associated with the preparation, drilling, production or operation of gas wells authorized by the city shall be repaired at the operator's expense.

Right-of-way use agreement. The authorization issued to a pipeline company to use the public rights-of-way for (1) the construction, installation, maintenance and repair of pipeline company's pipeline; (2) the use of such pipeline for the transportation of gas; and (3) any other directly related uses of the public rights-of-way, pursuant to and in accordance with a right-of-way use agreement.

RRC or commission. The Texas Railroad Commission, or its successor in function, which regulates the oil and gas industry in the state.

School. Any public or private, primary and/or secondary educational facilities providing education up through and including the twelfth grade level and any licensed day-care centers, meaning a facility licensed by the state that provides care, training, education, custody, treatment or supervision for more than six children under 14 years of age, and for less than 24 hours per day.

Source noise. The noise emanating from the equipment being measured, exclusive of surrounding natural or manmade noises including, but not limited to, insects, wind, surrounding drilling or production equipment and vehicular noises.

Street. Any street, highway, sidewalk, alley, avenue, recessed parking area or other public right-of-way, including the entire right-of-way.

Tank. A container, covered or uncovered, used in conjunction with the drilling or production of gas or other hydrocarbons for holding or storing fluids.

Thoroughfare plan. The thoroughfare plan approved by the city.

Well. Any single hole or bore to any horizon, formation, or strata, for the purpose of producing oil, gas, liquid hydrocarbon, brine water or sulfur water, or for use as an injection well for secondary recovery, disposal or production of gas or waste, or other hydrocarbons from the earth. For each separate new hole a gas well permit is required.

Wellhead. The surface hole location of the well.

Wire line logging. The use of radioactive isotopes which are used when measuring formations within the immediate vicinity of the drilling hole. A permit will be required through the Code Enforcement Officer.

Workover. To perform one or more of a variety of remedial operations on a producing well to try to increase production. Examples of workover operations are deepening, plugging back, pulling and resetting liner, squeeze cement and similar activities.

Xeriscape. A landscaping method that employs drought-resistant plants in an effort to conserve resources, especially water.

Section 4.08.006
Violation and Penalty

- (a) It shall be unlawful and an offense for any person to do the following;
- (1) Engage in any conduct not permitted by the terms of a permit issued under this article;
 - (2) Fail to comply with any condition set forth by the terms of a permit issued under this article; or
 - (3) Violate any provision or requirement set forth under this article.
- (b) Any violation of this article shall be punished by a fine of not more than \$2,000.00 per day, subject to applicable state law. Each day that a violation is permitted to exist shall constitute a separate offense.

Section 4.08.007
Operator's Agent

Every operator of any well shall designate an agent, who is a resident of the state, upon whom all orders and notices provided in this article may be served in person or by registered or certified mail. Said agent shall be identified on the permit issued by the City. Every operator so designating such agent shall notify the City in writing within ten (10) days of any change in such agent and/or agent's address.

Section 4.08.008
Development Plat Required

- (a) No person, acting for himself or acting as an agent, employee, independent contractor, or servant for any person or entity, shall engage in drilling, operation or production of any well within the corporate limits of the city or within the extraterritorial jurisdiction of the city, without first having obtained city council approval of a properly filed oil and gas development plat as required by this article.
- (b) An application for an oil and gas development plat for the drilling, operation and production of a well shall be filed by the person having legal authority. That person is presumed to be the record owner, mineral owner, or the duly authorized

agent of either the record owner or the mineral owner. An applicant shall submit written notarized documentation of his/her authority to file an application.

(c) No application shall be accepted for filing until it is complete and the fee set forth in section 4.08.019 of this article has been paid. Incomplete applications shall be returned less a fee for processing as set forth in section 4.08.019 of this article.

(d) Application shall be made on the form approved by the city council and made available to all applicants.

(e) Oil and gas development plat shall include, at a minimum, the graphic depictions of:

- (1) The well bore;
- (2) Survey lines;
- (3) Property lines; and
- (4) Right-of-way lines;

Within the general area depicted at not more than 1,000 feet per inch.

(f) Oil and gas development plat shall be prepared, signed and sealed by a registered professional land surveyor in the state.

(g) A plat submitted to the Texas Railroad Commission for application of a W-1 permit is suitable for submittal under this article as an oil and gas development plat.

(h) Upon city council approval of an oil and gas development plat, applicant shall notify the City annually that there are no changes to information contained in the original application, or within ten (10) days of any change the details of said change.

Section 4.08.009 Permit Required

(a) A person wanting to engage in oil or gas exploration, operation or production activities shall apply for and obtain an oil and gas well permit under this article. It shall be unlawful for any person acting either for himself or acting as an agent, employee, independent contractor, or servant for any person to drill any well, assist in any way in the site preparation, reworking, fracturing or operation of any such well or to conduct any activity related to the production of oil or gas within the corporate limits of the city without first obtaining an oil and gas well permit issued by the city in

accordance with this article. Such activities include, but are not limited to, reworking, initial site preparation, drilling, operation, construction of rigs or tank batteries, fracturing and pressurizing.

(b) The operator must apply for and obtain an oil and gas well permit for the drilling of each well. The operator shall neither apply nor obtain a “blanket” permit for more than one well if multiple wells are located on the same tract of land. Each new well established at the ground surface will be considered a new oil and gas well permit.

(c) An existing oil and gas well permit shall not constitute authority for the reentering and drilling of an abandoned well. An operator shall obtain a new permit in accordance with the provisions of this chapter if the operator is reentering and drilling an abandoned well.

(d) When an oil and gas well permit has been issued to the operator for the drilling, reentering, activating or converting of a well, such permit shall constitute sufficient authority for drilling, operation, production gathering or production maintenance, repair, reworking, testing, plugging and abandonment of the well and/or any other activity associated with mineral exploration at the site of such well. An amended oil and gas well permit shall be obtained before such well may be modified for purposes of redrilling, deepening or converting such well to a depth or use other than that set forth in the then current permit for such well.

(e) Any person who intends to rework a permitted well using a drilling rig or to fracture stimulate (fracturing) a permitted well after initial completion shall give written notice to the City no less than ten days before the activities begin. The notice must identify where the activities will be conducted and must describe the activities in detail, including, but not limited to, whether explosive charges will be used, the duration of the activities and the time the activities will be conducted. The notice must also provide the address and 24-hour telephone number of the person conducting the activities. The person conducting the activities shall post a sign on the property giving the public notice 48 hours in advance of the activities.

(f) Well setbacks for oil and gas well permits.

(1) It shall be unlawful to drill, redrill, deepen, reenter, activate or convert any well, the center of which, at the surface of the ground, is located:

(A) Within 600 feet from any playgrounds, competition athletic fields, swimming pools, water slides and playgrounds, concession

stands, pavilions or picnic areas within a public park unless prior consent is obtained from the city council to drill in a public park.

(B) Within 600 feet from any residence, religious institution, public building, retail or commercial building, hospital building or school for which a building permit has been issued on the date of the application for a gas well permit is filed with the city.

(C) Within 150 feet of any public street, road, highway, or right-of-way line.

(D) Within 100 feet of any existing potable water well.

(E) Within 150 feet of any property line.

(F) Within 150 feet from a railroad right-of-way.

(2) The measurement of all distances shall be calculated from the proposed well bore, in a straight line, without regard to intervening structures or objects, to the closest exterior point of the object listed in subsection (1) above. The above calculations shall be prepared by a registered professional land surveyor, if required by the City.

(3) Walls or other screening around the final production well site containing tank batteries and separators shall be located at least 150 feet from any public playground, competition athletic field, picnic area within a public park, unless prior consent is obtained from the city council to drill in a public park; or from any residence, religious institution, public building, hospital building or school, or any other building used, or designed and intended to be used, for human occupancy. The distance shall be calculated from the closest point of the wall or other screening around the final production well site, in a straight line, without regard to intervening structures or objects, to the closest part of the playground, competition athletic field, picnic area, residence, religious institution, public building, hospital building or schools, or any other building used or designed and intended to be used for human occupancy.

(4) The distances set out in subsections (1)(A) and (1)(B) above may be reduced at the discretion of the City, as approved by the city council, but never less than 300 feet except as provided by subsection (5) below. All distance reductions shall be documented as exceptions to the requested permit prior to issuance.

(5) Notwithstanding the provisions of this section, wells may be drilled no closer than 150 feet from existing residences that are occupied by persons who in writing consent to the request to drill the well, if approved by the city council. Said written consent is required from all residences occupied by persons within 300 feet of a proposed well bore prior to an application for an oil and gas well permit being processed. Wells may be redrilled, deepened, reentered, activated or converted if no closer than 150 feet from any residence constructed after the well was originally drilled without such consent.

(6) An oil and gas well permit shall automatically terminate, unless extended, if drilling is not commenced within 180 days from the date of the issuance of the permit. A permit may be extended for an additional 90 days under the following two conditions:

(A) Upon written request by the well operator; and

(B) Proof that the permit for which an extension is sought could be issued on the date of such extension under the regulations and conditions then existing.

(7) Permits required by this article are in addition to and are not in lieu of any permit which may be required by any other provision of this code or by any other governmental agency.

(8) Well development that will result in any changes to either the FEMA flood insurance rate maps (FIRM) or the corresponding hydraulic model will require the operator to obtain a FEMA letter of map revision (LOMR).

(9) By acceptance of any permit issued pursuant to this article, the operator expressly stipulates and agrees to be bound by and comply with the provisions of this article. The terms of this article shall be deemed to be incorporated in any permit issued pursuant to this article with the same force and effect as if this article was set forth verbatim in such permit.

(10) Prior to the issuance of any permit, the operator shall, except for public institutions which provide a resolution committing not to construct any building within 150 feet of any outside wall or other screening around the final production well site, provide a recordable easement from the owner of affected property as grantor to the city as grantee which prohibits residences, religious institutions, retail or commercial buildings within 150

feet from the outside wall or other screening around the final production well site.

Section 4.08.010
Permit Application

(a) Every application for an oil and gas well permit issued pursuant to this article shall be in writing signed by the operator, or some person duly authorized to sign on his behalf, and filed with the City.

(b) Every application shall be accompanied by a permit fee as set forth in section 4.08.019 of this article. The application shall include the following information:

- (1) The date of the application and type of permit requested.
- (2) An accurate legal description of the lease property to be used for the operation site, the parcel and the production unit and name of the geologic formation as used by the commission. Property recorded by plat shall reference subdivision, block and lot numbers.
- (3) Map showing proposed transportation route and road(s) for equipment, chemicals or waste products used or produced by the operation.
- (4) Proposed well name and well depth.
- (5) Surface owner names(s), telephone number(s), fax number(s), physical address(es), and, if possible, e-mail address(es), of the lease property.
- (6) Mineral lessee name, telephone number, fax number, physical address, and, if possible, e-mail address.
- (7) Operator/applicant name, telephone number, fax number, physical address, and if possible, e-mail address and if the operator is a corporation, the state of incorporation, and if the operator is a partnership, the names and addresses of the general partners.
- (8) Name, telephone number, fax number physical address of individual designated to receive notice, and, if possible, e-mail address.
- (9) Name and address the operator's agent with supervisory authority over all operation site activities and a 24-hour telephone number.

(10) Location and description of all improvements and structures within 1,000 feet of the well. Such locations and descriptions shall be prepared by a registered professional land surveyor.

(11) A site plan of the proposed operation site showing the location of all improvements and equipment, including the location of the proposed well(s) and other facilities including, but not limited to, tanks, pipelines, separators and storage tanks or storage sheds. All site plans must include the following criteria:

(A) Property boundaries with dimensions and setback lines.

(B) Location of proposed buildings and structures indicating sizes in square feet.

(C) The location and intensity of exterior lighting fixtures.

(D) The location of mechanical equipment.

(E) Outside storage areas.

(F) Curb cut locations.

(G) Parking, loading, and maneuvering areas.

(H) A separate plan sheet showing the location, materials and dimensions of all screening improvements.

(I) Sanitary waste disposal locations with screening and any sanitary waste disposal operations on site.

(J) Adjacent property lines, streets, easements immediately adjacent to the operation site.

(K) Names of owners of property immediately adjacent to the operation site.

(L) Names of subdivisions immediately adjacent to the operation.

(M) Site plans shall be submitted on a sheet size of 24-inch x 36-inch minimum.

(N) City boundaries where applicable.

- (O) Date the drawing was prepared with name, address, and phone number of preparer.
 - (P) Location, width, purpose of all existing easements.
 - (Q) North arrow, at a maximum scale of 1:50 immediately adjacent to the operation site.
 - (R) All existing street names immediately adjacent to the operation site.
 - (S) Dimensions of all existing rights-of-way.
 - (T) Title block identifying gas well site location.
 - (U) Vicinity location map at one inch = 2,000 feet.
 - (V) Location of 100-year flood limits where applicable.
 - (W) Texas NAD83 State Plane Coordinates for at least two corners.
- (12) Copies of all reports required by the commission, specifically including a copy of the approved railroad commission form W-1 and/or P-4.
- (13) A description of public utilities required during drilling and site operations.
- (14) A description of the water source to be used during drilling.
- (15) A copy of the stormwater pollution prevention plan (SWPP) as required by the commission, the Texas Commission on Environmental Quality (TCEQ), the United States Environmental Protection Agency (USEPA) and/or the city. A copy of the notice of intent (NOI) shall be submitted to the City at least three days prior to the commencement of any on-site activity.
- (16) A copy of the determination by the TCEQ of the depth of useable quality ground water.
- (17) Evidence of insurance and security requirements under this article.
- (18) A statement, under oath, signed by the operator or designated representative, that the information submitted with the application is, to the

best knowledge and belief of the operator or designated representative, true and correct.

(19) All required application and permit fees.

(20) A copy of a hazardous materials management plan and additionally, all material safety data sheets (MSDS) for all hazardous materials that will be located, stored, transported and/or temporarily used on the site shall be provided to the City. This document shall be divided into drilling and production with table of contents and individually tabbed chemicals.

Section 4.08.011 Permit Application Procedure

(a) All oil and gas well permits will be filed with the Code Enforcement Officer.

(b) No application shall be accepted for filing until it is complete and the fee set forth in section 4.08.019 of this article has been paid. Incomplete applications shall be returned less a fee for processing as set forth in section 4.08.019 of this article.

(c) It is the responsibility of the Code Enforcement Officer to review and approve or disapprove all applications for oil and gas well permits based on the criteria established by this article.

(d) The Code Enforcement Officer, within 45 days after the filing of a completed application and remittance of all fees, insurance, and security per the requirements of this article for an oil and gas well permit, shall determine whether the permit application shall be approved or denied. Upon approval, the Code Enforcement Officer shall sign the permit.

(e) The provisions of this article shall apply to any dwellings or buildings for which an application for a building permit has been submitted on the date the application for an oil and gas well permit is filed with the Code Enforcement Officer.

(f) All new and/or proposed construction of any buildings, structures, streets, roads, and/or applicable improvements to the property upon which any well is located must be in compliance with all applicable setback requirements enumerated in this article.

(g) If all the requirements of this article are met, the Code Enforcement Officer shall issue an approval letter for the drilling of the well or the installation of the facilities for which the permit application was made.

(h) If the Code Enforcement Officer denies a permit application for cause as set out in this article for the requested oil and gas well permit, the Code Enforcement Officer shall notify the operator in writing of such denial stating the reasons for the denial. Within 45 days of the date of the written notice from the Code Enforcement Officer denying the permit, the operator may cure those conditions that caused the denial and resubmit the application to the Code Enforcement Officer for approval and issuance of the permit. Additionally, the operator may file an appeal to the city council. Such appeal must be made in writing to the city secretary within 30 days of the denial.

(i) The failure of the Code Enforcement Officer to review and issue a permit within the time limits specified above shall not cause the application to be deemed approved. The failure of the Code Enforcement Officer to act within the time limit shall be deemed a disapproval. The operator may file an appeal to the city council.

(j) If an application for a permit is denied by the city, nothing herein contained shall prevent a new permit application from being submitted to the Code Enforcement Officer for the same well.

(k) Forfeiture of applications fees. The applicant shall forfeit all fees paid and be responsible for making a new application and paying new fees after 180 days from the initial permit approval if no rig-up has begun, or extension granted under section 4.08.008(f)(6), or if the operator fails to correct any noncompliance as a result of a suspension or revocation of a gas well permit.

Section 4.08.012 Amended Oil and Gas Well Permits

(a) An amended permit may be issued for, but not limited to, the following changes in drill and/or operational site activities:

- (1) Redrilling;
- (2) Deepening beyond 150 feet of the permitted depth;
- (3) Site access;
- (4) Locations and/or quantities of equipment as determined by the City;
- (5) Locations and/or number of drilling fluid or other types of pits; and
- (6) Locations and/or number of buildings and structures.

(b) Applications for amended permits shall be in writing, shall be signed by the operator, and shall include the following:

- (1) An application fee as set forth in section 4.08.019 of this article;
- (2) A description of the proposed amendments;
- (3) Any changes to the information submitted with the application for existing permit (if such information has not previously been provided to the Code Enforcement Officer);
- (4) Such additional information as is reasonably required by the Code Enforcement Officer to demonstrate compliance with the applicable permit;
- (5) Such additional information as is reasonably required by the Code Enforcement Officer to prevent imminent destruction of property or injury to persons; and
- (6) An amended site plan will be required.

(c) All applications for amended permits shall be filed with the Code Enforcement Officer for review. Incomplete applications may be returned to the applicant, in which case the Code Enforcement Officer shall provide a written explanation of the deficiencies; however, the city shall retain the application fee. The city may return any application as incomplete if there is a dispute pending before the commission regarding the determination of the operator.

(d) If the activities proposed by the amendment are not materially different from the activities covered by the existing permit then the Code Enforcement Officer shall approve or disapprove the amendment within 15 days after the application is filed.

(e) If the activities proposed by the amendment are materially different from the activities covered by the existing permit, and do not create a risk of destruction of property or injury to persons, then the Code Enforcement Officer shall approve or disapprove the amendment within 45 days after the application is filed. If, however, the activities proposed by the amendment are materially different and, in the judgment of the Code Enforcement Officer, might create a risk of destruction of property or injury to persons that were not associated with the activities covered by the existing permit or that were not otherwise taken into consideration by the existing permit, the Code Enforcement Officer may require the amendment to be processed as a new permit application.

(f) The failure of the Code Enforcement Officer to review and issue an amended permit within the time limits specified above shall not cause the application for the amended permit to be deemed approved. Further, the decision of the Code Enforcement Officer to deny an amendment to a permit shall be provided to the operator in writing within the time period indicated in subsections (d) and (e) above, including an explanation of the basis for the decision. The operator may appeal any such denial to the city council, if such an appeal is filed within ten days after such denial.

Section 4.08.013 **Suspension or Revocation of Oil and Gas Well Permits**

(a) If an operator (or its officers, employees, agents, contractors, or representatives) fails to comply with any requirement of a permit (including any requirement incorporated by reference as part of the permit), the city shall give written notice to the operator specifying the nature of the failure and giving the operator a reasonable time to cure, taking into consideration the nature and extent of the failure, the extent of the efforts required to cure, and the potential impact on the health, safety, and welfare of the community. In no event, however, shall the cure period be less than ten days unless the failure presents a risk of imminent danger of property or injury to persons or unless the failure involves the operator's failure to provide periodic reports as required by this article.

(b) If the operator fails to correct the noncompliance, the city may suspend or revoke the permit pursuant to the provisions of this article.

(c) Continual or repeated noncompliance, or refusal to comply with any article, section or portion of this article, may result in the suspension of all permits issued to an operator under this article without regard to the compliance status of each individual permitted well, until such time as the operator is in full compliance with this article at all sites and with all wells and/or pipelines.

(d) No person shall carry on any operations performed under the terms of the permit issued under this article during any period of any permit suspension or revocation or pending a review of the decision or order of the city in suspending or revoking the permit. Nothing contained herein shall be construed to prevent the necessary, diligent and bona fide efforts to cure and remedy the default or violation for which the suspension or revocation of the permit was ordered for the safety of persons or as required by the commission.

(e) If the operator does not cure the noncompliance within the time specified in this chapter, the city, upon written notice to the operator, may notify the commission and request that the commission take any appropriate action.

(f) An operator may, within ten days of the date of the decision of the city in writing to suspend or revoke a permit, file an appeal to the city council.

Section 4.08.014 Pipeline Permit Required

(a) It shall be unlawful for any person acting either for himself or acting as an agent, employee, independent contractor, or servant for any person to construct or operate any pipeline, assist in any way in the site preparation or to conduct any activity related to the construction or operation of a pipeline within the corporate limits of the city without first obtaining a pipeline permit issued by the city in accordance with this article.

(b) An application for a pipeline permit shall be filed by the person having legal authority. An applicant shall submit written notarized documentation of his/her authority to file an application.

(c) No application shall be accepted for filing until it is complete and the fee set forth in section 4.08.019 of this article has been paid. Incomplete applications shall be returned less a fee for processing as set forth in section 4.08.019 of this article.

(d) Application shall be made on the form approved by the city council and made available to all applicants.

(e) Pipeline permits are subject to the same suspension and revocation terms as wells, as stipulated in section 4.08.012 of this article.

Section 4.08.015 Periodic Reports

(a) The operator shall notify the Code Enforcement Officer of any changes to the following information within ten days after the change occurs:

(1) The name, physical address, telephone number, and fax number, of the operator;

- (2) The name, address, and telephone number of the agent designated to receive notices from the city (which person must be a resident of the state that can be served in person or by registered or certified mail); and
 - (3) The operator's emergency action response plan (including "drive-to-maps" from public rights-of-way to each drill site).
- (b) The operator shall notify in writing the Code Enforcement Officer of any change to the name, address, and 24-hour phone number of the agent with supervisory authority over drilling or operations activities within one business day.
- (c) The operator shall provide a copy of any "incident reports" or written complaints submitted to the commission, TCEQ or EPA to the City within 30 days after the operator has notice of the existence of such reports or complaints.
- (d) Beginning on December 31st after each well is completed, and continuing on each December 31st thereafter until the operator notifies the City that the well has been permanently abandoned and the site restored, the operator shall submit a written report to the Code Enforcement Officer identifying any changes to the information that was included in the application for the applicable permit that have not been previously reported.

Section 4.08.016
Bond, Letters of Credit, Indemnity, Insurance

- (a) General requirements. The operator shall be required to:
- (1) Comply with the terms and conditions of this article and the permit issued hereunder.
 - (2) Promptly clear drilling, operation and production sites of all litter, trash, waste and other substances used, allowed, or occurring in the operations, and after abandonment or completion grade, level and restore such property to the same surface conditions as nearly as possible as existed before operations as determined by the City Manager.
 - (3) Indemnification and express negligence provisions. Operators shall sign each permit and the city shall retain a signed original. Each such permit issued by the city shall be deemed to include the following language: Operator does hereby expressly release and discharge, all claims, demands, actions, judgments, and executions which it ever had, or now has or may have, or assigns may have, or claim to have, against the City of Troup,

Texas, and/or its departments, agents, officers, servants, successors, assigns, sponsors, volunteers, or employees, created by, or arising out of personal injuries, known or unknown, and injuries to property, real or personal, or in any way incidental to or in connection with the performance of the work performed by the operator under a permit. The operator shall fully defend, protect, indemnify, and hold harmless the City of Troup, Texas, its departments, agents, officers, servants, employees, successors, assigns, sponsors, or volunteers from and against each and every claim, demand, or cause of action and any and all liability, damages, obligations, judgments, losses, fines, penalties, costs, fees, and expenses incurred in defense of the City of Troup, Texas, its departments, agents, officers, servants, or employees, including, without limitation, personal injuries and death in connection therewith which may be made or asserted by operator, its agents, assigns, or any third parties on account of, arising out of, or in any way incidental to or in connection with the performance of the work performed by the operator under a permit. The operator agrees to indemnify and hold harmless the City of Troup, Texas, its departments, its officers, agents, servants, employees, successors, assigns, sponsors, or volunteers from any liabilities or damages suffered as a result of claims, demands, costs, or judgments against the city, its departments, its officers, agents, servants, or employees, created by, or arising out of the acts or omissions of the City of Troup, Texas, occurring on the drill site or operation site in the course and scope of inspecting and permitting the wells including, but not limited to, claims and damages arising in whole or in part from the negligence of the City of Troup, Texas, occurring on the drill site or operation site in the course and scope of inspecting and permitting wells.

IT IS UNDERSTOOD AND AGREED THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION IS AN INDEMNITY EXTENDED BY THE OPERATOR TO INDEMNIFY AND PROTECT THE CITY OF TROUP, TEXAS AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES FROM THE CONSEQUENCES OF THE NEGLIGENCE OF THE CITY OF TROUP, TEXAS AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES, WHETHER THAT NEGLIGENCE IS THE SOLE OR CONTRIBUTING CAUSE OF THE RESULTANT INJURY, DEATH, AND/OR DAMAGE.

(4) Promptly pay all fines, penalties and other assessments imposed due to breach of any terms of the permit.

(5) Promptly restore to its former condition any property damaged by the operation.

(b) Bond, irrevocable letter of credit. Prior to the issuance of an oil and gas well permit the operator shall provide the Code Enforcement Officer with a security instrument in the form of a bond or an irrevocable letter of credit as follows:

(1) Bond. A bond shall be executed by a reliable bonding or insurance institution authorized to do business in the state, acceptable to the city. The bond shall become effective on or before the date the oil and gas well permit is issued and shall remain in force and effect for at least a period of six months after the expiration of the permit term or until the well is plugged and abandoned and the site is restored, whichever occurs last. The operator shall be listed as principal and the instrument shall run to the city, as obligee, and shall be conditioned that the operator will comply with the terms and regulations of this article and the city. The original bond shall be submitted to the Code Enforcement Officer.

(2) Letter of credit. A letter of credit shall be issued by a reliable bank authorized to do business in the state and shall become effective on or before the date the oil and gas well permit is issued. The letter of credit shall remain in force and effect for at least a period of six months after the expiration of the permit term or until the well is plugged and abandoned and the site is restored, whichever occurs last. The city shall be authorized to draw upon such letter of credit to recover any fines or penalties or costs to remedy [those] assessed under this article. Evidence of the execution of a letter of credit shall be submitted to the city by submitting an original signed letter of credit from the banking institution to the Code Enforcement Officer.

(3) Amount. The principal amount of any security instrument shall be \$50,000.00 for any single well. If, after completion of a well, the applicant/operator, who initially posted a \$50,000.00 bond, has complied with all of the provisions of this article and whose well is in the producing stage and all drilling operations have ceased, may submit a request to the Code Enforcement Officer to reduce the existing bond to \$10,000.00 for the remainder of the time the well produces without reworking. During reworking operations, the amount of the bond or letter of credit shall be maintained at \$50,000.00. If at any time after no less than a 15-day written notice to the operator and a public hearing, the city council shall deem any operator's bond or letter of credit to be insufficient, it may require the

operator to increase the amount of the bond or letter of credit up to a maximum of \$250,000.00 per well.

(4) Default in performance. Whenever the Code Enforcement Officer finds that a default has occurred in the performance of any requirement or condition imposed by this article, a written notice shall be given to the operator. Such notice shall specify the work to be done, the estimated cost and the period of time deemed by the City to be reasonably necessary for the completion of such work. After receipt of such notice, the operator shall, within the time therein specified, either cause or require the work to be performed, or failing to do so, shall pay over to the city 125 percent of the estimated cost of doing the work as set forth in the notice. In no event, however, shall the cure period be less than 30 days unless the failure presents a risk of imminent destruction of property or injury to persons or unless the failure involves the operator's failure to provide periodic reports as required by this article. The city shall be authorized to draw against any irrevocable letter of credit or bond to recover such amount due from the operator. Upon receipt of such monies, the city shall proceed by such mode as deemed convenient to cause the required work to be performed and completed, but no liability shall be incurred other than for the expenditure of said sum in hand. In the event that the well has not been properly abandoned under the regulations of the commission, such additional money may be demanded from the operator as is necessary to properly plug and abandon the well and restore the drill site in conformity with the regulations of this article.

(5) Civil or criminal action. In the event the operator does not cause the work to be performed and fails or refuses to pay over to the city the estimated cost of the work to be done as set forth in the notice, or the issuer of the security instrument refuses to honor any draft by the city against the applicable irrevocable letter of credit or bond the city may proceed to obtain compliance and abate the default by way of civil action against the operator, or by criminal action against the operator, or by both such methods.

(6) Cancellation. When the well or wells covered by said irrevocable letters of credit or bond have been properly abandoned in conformity with all regulations of this article, and in conformity with all regulations of the commission and notice to that effect has been received by the city, or upon receipt of a satisfactory substitute, the irrevocable letter of credit or bond issued in compliance with these regulations shall be terminated and cancelled.

(c) Insurance. In addition to the bond or letter of credit required pursuant to this article, the operator shall carry a policy or policies of insurance issued by an insurance company or companies authorized to do business in the state. In the event such insurance policy or policies are cancelled, the permit shall be suspended on such date of cancellation and the operator's right to operate under such permit shall immediately cease until the operator files additional insurance as provided herein.

(1) General requirements applicable to all policies.

(A) The city, its officials, employees, agents and officers shall be endorsed as an "additional insured" to all policies except employer's liability coverage under the operator's workers compensation policy.

(B) All policies shall be written on an occurrence basis except for environmental pollution liability (seepage and pollution coverage) and excess or umbrella liability, which may be on a claims-made basis.

(C) All policies shall be written by an insurer with an A-: VIII or better rating by the most current version of the A.M. Best Key Rating Guide or with such other financially sound insurance carriers acceptable to the city.

(D) Deductibles shall be listed on the certificate of insurance and shall be on a "per occurrence" basis unless otherwise stipulated herein.

(E) Certificates of insurance shall be delivered to the Code Enforcement Officer, evidencing all the required coverage's, including endorsements, prior to the issuance of a permit.

(F) All policies shall be endorsed with a waiver of subrogation providing rights of recovery in favor of the city.

(G) Any failure on part of the city to request required insurance documentation shall not constitute a waiver of the insurance requirement specified herein.

(H) Each policy shall be endorsed to provide the city a minimum 30-day notice of cancellation, nonrenewal, and/or material change in policy terms or coverage. A ten days' notice shall be acceptable in the event of nonpayment of premium.

(I) During the term of the permit, the operator shall report, in a timely manner, to the Code Enforcement Officer any known loss occurrence which could give rise to a liability claim or lawsuit or which could result in a property loss.

(J) Upon request, certified copies of all insurance policies shall be furnished to the city.

(2) Standard commercial general liability policy. This coverage must include premises, operations, blowout or explosion, products, completed operation, sudden and accidental pollution, blanket contractual liability, underground resources damage, broad form property damage, independent contractors protective liability and personal injury. This coverage shall be a minimum combined single limit of \$1,000,000.00 per occurrence location for bodily injury and property damage.

(3) Excess or umbrella liability. Five million dollars excess, if the operator has a stand-alone environmental pollution liability (EPL) policy. Ten million dollars excess, if the operator does not have a stand-alone EPL policy. Coverage must include an endorsement for sudden or accidental pollution. If seepage and pollution coverage is written on a "claims-made" basis, the operator must maintain continuous coverage and purchase extended coverage period insurance when necessary.

(4) Environmental pollution liability coverage. Operator shall purchase and maintain in force for the duration of the permit, insurance for environmental pollution liability applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense or settlement of claims; all in connection with any loss arising from the insured site. Coverage shall be maintained in an amount of at least \$1,000,000.00 per loss, with an annual aggregate of at least \$10,000,000.00.

(A) Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants.

(B) The operator shall maintain continuous coverage and shall purchase extended coverage period insurance when necessary. The extended coverage period insurance must provide that any retroactive

date applicable to coverage under the policy precedes the effective date of the issuance of the permit by the city.

(5) Control of well. The policy should cover the cost of controlling a well that is out of control, redrilling or restoration expenses, seepage and pollution damage as first party recovery for the operator and related expenses, including, but not limited to, loss of equipment, experts and evacuation of residents. Five million dollars per occurrence/no aggregate, if available, otherwise an aggregate of \$10,000,000.00. Five hundred thousand dollars sub-limit endorsement may be added for damage to property for which the operator has care, custody and control.

(6) Certificates of insurance. The company must be admitted or approved to do business in the state, unless the coverage is written by a surplus lines insurer. The insurance set forth by the insurance company must be underwritten on forms that have been approved by the Texas State Board of Insurance or ISO (Insurance Services Office), or an equivalent policy form acceptable to the city, with the exception of environmental pollution liability and control of well coverage. Sets forth all endorsements and insurance coverage according to requirements and instructions contained herein. Shall specifically set forth the notice of cancellation, termination, or change in coverage provisions to the city. All policies shall be endorsed to read "THIS POLICY WILL NOT BE CANCELLED OR NONRENEWED WITHOUT THIRTY (30) DAYS ADVANCED WRITTEN NOTICE TO THE OWNER AND THE CITY EXCEPT WHEN THIS POLICY IS BEING CANCELLED FOR NONPAYMENT OF PREMIUM, IN WHICH CASE TEN (10) DAYS ADVANCE WRITTEN NOTICE IS REQUIRED." Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.

(7) Notice. The individual designated to receive notice shall be a resident of the state upon whom all orders and notices provided in this article may be served in person or by registered or certified mail. Every operator shall within ten days notify the City in writing of any change in such agent or mailing address unless operations in the city are discontinued and abandonment is complete.

(8) As an alternative to any or all of the required insurance policies, the operator may provide a letter of credit or other security satisfactory to the city's attorney in such amount, for such term and conditioned as he may require.

Section 4.08.017
On-Site and Technical Regulations

(a) Public streets. No permit shall be issued for any well to be drilled within any of the streets or alleys of the city and/or projected streets or alleys shown by the current comprehensive plan of the city, and no street or alley shall be blocked or encumbered or closed due to any exploration, drilling or production operations unless prior consent is obtained. Any consent shall be temporary in nature and state the number of hours and/or days that any street or alley may be blocked, encumbered or closed. The site must not conflict with the city's thoroughfare plan.

(b) Work hours for well operations. Any activity other than drilling shall be conducted only between 7:00 a.m. and 7:00 p.m. Monday through Saturday. Truck deliveries of equipment and materials associated with drilling and/or production, well servicing, site preparation and other related work conducted on the well site shall be limited to between the above same work hour restrictions except in cases of fires, blowouts, explosions, and any other emergencies or where the delivery of equipment is necessary to prevent the cessation of drilling or production. It is understood, however that preparation activities prior to fracturing operations including assembly, perforating, disassembly and clean up are allowed other than designated hours with approval from the City.

(c) Noise restrictions for gas well permits.

(1) During drilling, re-drilling or reworking, no on-site activity shall produce a sound level greater than 78 dB(a) when measured at a distance of 300 feet from the drilling equipment in question.

(2) During fracturing, no on-site activity shall produce a sound level greater than 85 dB(a) when measured at a distance of 300 feet from the drilling equipment in question.

(3) During production, no on-site activity shall produce a sound level greater than 65 dB(a) when measured at a distance of 300 feet from any on-site equipment in question.

(4) Sound level measurements shall be made with a sound level meter conforming as a minimum, to the requirements of the American National Standards Institute (ANSI).

- (5) If sound levels exceed the dB(a) levels referenced in this subsection, the City may require additional sound reducing techniques and devices including, but not limited to, sound reducing mufflers.
- (d) Notice to Code Enforcement Officer. The operator shall furnish the following to the City:
- (1) A copy of the approval of the commission confirming compliance with all abandonment proceedings under the state law; and
 - (2) A notice of intention to abandon under the provisions of this section and stating the date such work will be commenced.

Section 4.08.018
Nuisance Declared and Prohibited; Penalties

- (a) The following activities, occurrences, situations and conditions are hereby declared a nuisance:
- (1) The intentional or accidental release or discharge of any substance which causes an unpleasant, foul or disagreeable odor;
 - (2) The intentional or accidental release or discharge of any gaseous substance any part of which, alone or acting in concert with other parts, has been shown to be harmful or injurious to human health and safety, a danger to property and/or a threat to the environment;
 - (3) The intentional or accidental release or discharge of any liquid substance any part of which, alone or acting in concert with other parts, has been shown to be harmful or injurious to human health and safety, a danger to property and/or a threat to the environment;
 - (4) The storage of any marketable or waste product of an oil or gas well in such a manner as to be at risk of accidental release or discharge;
 - (5) The storage of any material in such a manner as to create an eyesore visible from adjacent property;
 - (6) The storage of any material in such a manner as to create a nesting and breeding area for rats, mice, mosquitoes, skunks or snakes;

(7) The constant production of noise in excess of 85 dB(a), measured at adjacent property line, for more than 12 continuous hours; and

(8) The constant production of noise in excess of 65 dB(a), measured at adjacent property line, between the hours of 7:00 p.m. and 7:00 a.m.

(b) It shall be unlawful to create or allow to continue a nuisance as defined in this article within the corporate limits of the city.

(c) The city council finds that some nuisances in subsection (a) of this section may be found in such levels as to be immediately dangerous to life and health and pose a serious threat of property damage and further finds that the periodic inspection of oil and gas sites in the corporate limits of the city and within the city's extraterritorial jurisdiction are necessary to alleviate the threat to human health and safety and property.

(d) The City's Code Enforcement Officer is hereby empowered to enter into any oil and gas site in the corporate limits of the city for the purposes of conducting a nuisance inspection and to enforce this article.

(e) The operator shall reimburse the city for the cost of any necessary abatement, remediation or inspection.

(f) The City may order all activity of any kind stopped on any site where a violation of this article is found. Any person, including a workman on the site, who fails to comply with a stop-work order shall be guilty of a misdemeanor punishable as provided herein.

(g) Any person, firm or corporation who violates any provision of this article or any order made under the authority of this article, or who causes or permits any such violation, or who fails to perform any act required hereunder or fails to take any action required, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine of not more than two thousand dollars (\$2,000.00). Each and every day on which any violation is committed or permitted to continue shall constitute a separate offense and shall be punishable as such.

Section 4.08.019 Fees

(a) The application fee for an oil and gas development plat shall be \$6,500.00.

(b) The application fee for an oil and gas permit shall be \$6,500.00.

- (c) The application fee for a pipeline permit shall be \$6,500.00.
- (d) The application fee for an amended oil and gas well permit shall be \$750.00.
- (e) The processing fee for incomplete applications shall be \$500.00.
- (f) Failure to pay any fee or invoice associated with this article shall result in the suspension or revocation of any permit issued pursuant to this article. Continual or repeated failures to pay any fee associated with this article may result in the suspension or revocation of all permits issued to an operator pursuant to this article without regard to the compliance of each individual permit.