CHAPTER 9. - OIL AND GAS WELL REGULATIONS [44]

⁽⁴⁴⁾ Editor's note— Ord. No. 82-2004-25, §§ 1—20, adopted July 13, 2004, was not specifically amendatory of the Code and has been treated as superceding the provisions of chapter 9. Formerly, chapter 9 pertained to similar subject matter as enacted by Ord. No. 77-19, adopted Feb. 29; as amended. See the Code Comparative Table for a detailed analysis of repeal and inclusion.

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Sec. 9-9-1. - Purpose.

The exploration, development, and production of oil, gas and other mineral hydrocarbons in the city is an activity which necessitates reasonable regulations. Such regulations will prevent or lessen injury or property damage to citizens and make these activities conform to the city comprehensive plan and zoning ordinances. This chapter implements reasonable regulations for present and future, mineral activities to protect the health, safety, and general welfare of the public and accomplish the orderly and practical production of available mineral resources. All provision/requirements of this chapter applicable to an operator are applicable to a permittee and all provisions/requirements of this chapter applicable to a permittee are also applicable to an operator.

(Ord. No. 82-2004-25, § 1, 7-13-04)

Sec. 9-9-2. - Definitions.

All technical or oil and gas industry words or phrases used herein and not specifically defined shall have that meaning customarily attributable thereto by prudent operators in the oil and gas industry. For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or

requires a different meaning.

Abandonment means "abandonment" as defined by the Texas Railroad Commission and includes the restoration of the drill site as required by this chapter.

Commission means the Texas Railroad Commission.

Consultant means a person familiar with and educated in the oil and gas industry who has been retained by the city.

Desertion means the cessation of the operation at any drill site without compliance with the provisions of this chapter relating to suspended operations, idle wells, or abandonment.

Director means the Director of Planning and Development for the City of Weatherford or such other person as designated by the city manager.

Disposal well means any well drilled or intended to be drilled for the purpose of disposing of solutions or liquids produced from any well.

Drilling means any digging or boring of a new well to explore, develop, or produce oil, gas, or other hydrocarbons, or to inject gas, water, or any other fluid or substance into the earth.

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

Drill site means the premises used during the drilling or re-working of a well.

Exploration means geologic or geophysical activities, including seismic surveys, related to the search for oil, gas, or other subsurface hydrocarbons.

Gas means any fluid, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at standard temperature and pressure conditions, and/or the gaseous components or vapors occurring in or derived from petroleum or natural gas.

Gas well means any well drilled, to be drilled, or used for the intent or actual production of natural gas.

High impact area means any area within the city limits of the City of Weatherford.

Lessee means a person who has executed an oil or gas lease or sublease, or the owner of the land or minerals, or his heirs, who conducts or carries on any oil or gas exploration, development, and operation thereof, or a person conducting the operation for himself or others.

Lessor means the owner of surface or mineral rights who has executed a lease.

Maintenance means the repair or replacement of any machinery, equipment, apparatus, structure, facility, or parts used in connection with an oil or gas operation, site, drill site, or any other work necessary to reduce fire hazards or hazards to employees, public health, safety, and welfare.

New well means a new well bore or new hole established at the ground surface and shall not include re-working or an existing well which is not abandoned.

Oil or gas operation site means the physical location where oil or gas operations are conducted.

Oil well means any well drilled, to be drilled, or used for the intended or actual production of liquid petroleum or petroleum products or enhanced recovery.

Operator means any person drilling, maintaining, operating, pumping, or in control of a well. If the operator is not the lessee under an oil or gas lease of any premises affected by the provisions of this chapter, then such lessee shall also be deemed to be an operator. If no oil or gas lease exists relating to any premises affected by this chapter, the owner of the fee estate in the premises shall be deemed an operator.

Owner means a person who owns the legal or equitable title in and to the surfaces of the drill site or oil or gas operations site.

Permit means a drilling permit issued or sought to be issued under this chapter authorizing the drilling of an oil or gas well or other oil operations.

Permittee means a person whom is issued a permit authorizing oil or gas operations, and his heirs, administrators, executors, successors, and assigns.

Person means 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.

Processing means operations for gauging, recycling, compressor repressuring, injection, reinjection, dehydration, stimulation, separation (including but not limited to separation of liquids from gas), shipping and transportation, and gathering oil, gas other hydrocarbon substances, water or any combination thereof.

Property owner means the real property surface record owner(s).

Re-working means reoccupation or re-entry of an existing well within the existing bore hole or by deepening or sidetrack operations which do not extend more than 150 horizontal feet from the existing well bore, or replacement of well liners or casings.

Rights-of-way means any street, highway, sidewalk, alley, avenue, recessed parking areas, or other public rights-of-way, including the entire right-of-way.

Seismic exploration means the exploration of subsurface geologic condition by the measurement of direct, refracted, and/or reflected or pressure waves within any number of subsurface geologic units. Seismic exploration typically involves the generation of sound or pressure waves by the use of explosives or vibration devices and data collection by the use of geophones or hydrophones.

Sump or sump pit means an earthen pit, commonly known as a "mudpit", lined or unlined for the discharge of oil field wastes.

Titles. When the title of any city official is used herein, it shall include that named official and any duly authorized representative or designee.

Well means a hole(s) or bore(s) to any horizon, formation or strata for the purpose of producing any oil, gas, liquid hydrocarbon, brine water, sulphur water or for use as an injection well for secondary recovery or disposal or production of oil, gas, or other hydrocarbons from the earth.

Well servicing means maintenance work performed in any existing well before which does not involve drilling or re-working.

(Ord. No. 82-2004-25, § 2, 7-13-04)

Sec. 9-9-3. - Director empowered to oversee chapter.

(a) The director is authorized and directed to enforce this chapter. Whenever necessary to enforce any provision of this chapter, or whenever the director has reasonable cause to believe any condition contrary to this chapter exists upon any premise or in any building for which a permit has been issued, the director or his designated representative may enter such place at any reasonable time to inspect or perform any duty imposed by this chapter. The director shall have recourse to every remedy provided by law and equity to gain entry. No owner or occupant or any other person having charge, care, custody, or control of any building or premise shall fail or neglect after proper demand to permit prompt entry by the director.

(b) The director shall determine the necessity of hiring a consultant. The fees incurred as a result of the director's and consultant's review shall be paid by the applicant. The director may require additional or supplemental information before action is taken on an application. The director shall provide applicant with an opportunity to withdraw an application prior to engaging the services of a consultant. The applicant shall be required to pay to the consultant a retainer to cover the cost of the services prior to consultant's commencement of the work.

(Ord. No. 82-2004-25, § 3, 7-13-04)

Sec. 9-9-4. - Permit(s) required.

(a) It shall be unlawful and an offense for any person acting either for himself or acting as an agent, employee, independent contractor, or servant for any person to participate in oil, gas or other hydrocarbons production activity within the corporate limits of the city without a permit having first been issued as provided for by the terms of this chapter. Additionally, a permit shall be required when the primary access to the drilling site is by way of a city street or public right-of-way. Applications for such permits shall be available from the planning and development department.

(b) When a permit has been issued for the mineral exploration or the drilling of a well, such permit shall constitute sufficient authority for drilling, operation, production, gathering of production, maintenance, repair, reworking, testing, site preparation consisting of rigs or tank batteries, plugging and abandonment of the well, and any other activity associated with mineral exploration. Such permit shall also constitute sufficient authority for the construction and use of all facilities reasonably necessary or convenient in connection therewith, including gathering lines and discharge lines by the permittee and its employees, agent and contractors. However, in no case will any issued permit be applicable to more than one well.

(c) As to all wells and/or repressurizing or induction facilities and such other facilities as may be covered by this chapter existing or previously permitted within the corporate limits of the city on the effective date of this chapter or which are in existence at the time the land upon which the same are situated is annexed to the city, no additional permit or filing fee shall be required.

(d) Permits shall be designated by the type of activity and the character of the area. There shall be the following types of permits: high impact and seismic.

(e) Before filing a site plan or preliminary plat, mineral owner shall notify surface owner by certified mail, return receipt requested, and show proof of such notice to the city. Mineral owner has 30 days before filing to designate such persons oil and gas operation location on the surface owner's proposed plat or site plan.

(f) Applicant shall complete the application and deliver it and any additional required information to the director. Any costs of processing the application, including any unpaid fees of a consultant, shall be paid by applicant prior to the public hearing.

(g) All permits require council approval. Council shall review the application, director's and/or consultant's report and any other related information. Council may require any change in the operations, plan, design, layout, fencing, screening, lighting, or other matters reasonably required by the public interest, health, safety or welfare which are consistent with the standards of the zoning districts in which the well is located and those districts which surround the well site.

(Ord. No. 82-2004-25, § 4, 7-13-04)

Sec. 9-9-5. - Application contents.

The application shall include full information, including the following:

(1) Appropriate fee as set by the minute order of the city council in effect and as may be amended from time to time;

(2) The date of the application;

(3) Name, address and telephone numbers for the mineral lessee, operator/applicant and surface owner;

(4) The names and addresses of all property owners within 2,500 feet of the drill site property perimeter.

(5) Site plan of the proposed operation showing the location of all improvements and equipment;

(6) Map showing proposed operation route and roads for equipment, chemicals, or waste products used or produced by the oil or gas operation;

(7) Description of type, kind, size, and amount of major equipment used before and after completion of drilling and re-working;

(8) Location and description of all improvements and structures within 500 feet of the well;

(9) Location of compressor, compressor control, or safety devices with explanation of operating characteristics of each in any application for a permit for a gas repressuring or injection facility;

(10) Name of representative with supervisory authority over all oil and gas operation site activities and a phone number where such person can be reached 24 hours a day;

(11) Legal description of the property to be used for the oil or gas operation, the parcel, and the production unit (plat description or metes and bounds bearings) and name of the geologic formation as used by the commission. Property recorded by plat should reference subdivision, block and lot numbers;

- (12) Proposed well name;
- (13) Name and address of an individual designated to receive notice;
- (14) Evidence of insurance information as required by this chapter;

(15) A survey of the production unit at a scale of one inch per 300 feet or greater by a certified surveyor including:

- a. Lengths and bearing of all boundary lines for production.
- b. Exact acreage of the production unit.

c. Exact location of the well within production unit with distances of a minimum of two adjacent boundary lines of the production unit.

- d. Length of maximum diagonal within the production unit.
- e. Geologic sections of the target production zone.
- (16) Proposed bore hole size, casing program and cementing program;
- (17) The proposed depth of the well;
- (18) Method of well completion;
- (19) Type of drilling (i.e., vertical shaft, horizontal shaft, and/or slant hole);

(20) Copies of all reports required by the Texas Natural Resource and Conservation Commission and Texas Railroad Commission;

- (21) Required utilities during and after drilling and completion;
- (22) Potential impact on noise, air, land, subsurface, and water resources;
- (23) Projected life of production well;
- (24) Control methods for fire and fugitive oil and gas emissions;
- (25) Hours of drilling and completion operation;

(26) Copy of Texas Department of Water Resources Form TDWR-0051 "Depth of Usable-Quality Ground Water To Be Protected";

(27) Copies of commission forms and drilling permit; and

(28) Statement under oath signed by applicant that the information submitted in the application is true and correct.

(Ord. No. 82-2004-25, § 5, 7-13-04; Ord. No. 92-2004-35, 8-10-04)

Sec. 9-9-6. - Application review.

(a) The director or his designee, will review and report to the city council on all applications received

by the city.

(b) As further provided herein, the director or his designee shall review the application within 30 days of filing. They will review the nature and location of the proposed oil or gas operation and make recommendations to the council about site plan design, construction, installation, operation, and maintenance of the proposed oil or gas operation and/or storage facility, and, if applicable, the following:

- (1) Alternate well location due to adjacent land uses.
- (2) Air pollution control devices.
- (3) Noise and odor control devices.
- (4) Type of pump engine.
- (5) Height of pump equipment.
- (6) Fire control measures, as required by and all applicable city ordinances and codes.
- (7) Fencing, visual screening, and/or landscaping as may be required by this chapter.
- (8) Proof of contractual responsibilities of pump site and storage size maintenance.
- (9) Safety procedures.
- (10) Special handling, storage, or disposal of sludge/waste.
- (11) Hours of pumping operation.
- (12) Gas flaring.
- (13) Location of storage facilities.

(14) Traffic loads or patterns, proposed street development, as required by this chapter, and ingress/egress of vehicular traffic.

- (15) Water source used during drilling operation.
- (16) Full line location and route between the well head and storage facilities.
- (c) Screening and landscaping.

(1) Unless otherwise required, fencing, screening and landscaping shall be within the discretion of the city council based upon the impact to adjacent areas and the requirements of this chapter and the requirements of the city's zoning ordinance for the district in which the well site is located and surrounding districts.

(2) Fencing may be required during the drilling operations and/or separate fencing may be required after completion of the drilling operations.

- (3) A six-foot solid screen fence around the entire perimeter of the site may be required.
- (4) Any fence should be at least 100 feet from any well, equipment, or structure within the site,

but no closer than 800 feet to any residential property line.

(5) All fencing shall be of a solid neutral color compatible with surrounding uses and shall be maintained in a neat, orderly, secure condition. Neutral colors for fencing shall include unobtrusive shades of sand, gray, green, blue, brown, or other colors approved by the city council.

(6) Upon completion of a well as a commercial producer, any apparatus used in the production of the well, including pump jacks, shall be enclosed with solid privacy fence material as to prevent any entry by unauthorized persons and to prevent well equipment from being seen. The enclosure shall remain locked at all times unless the well is being serviced by the operator or its service companies.

(7) All sites in high impact areas shall have landscaping and shall be screened by a fence enclosure constructed of any material compatible with surrounding uses which effectively screens the site. Such shall be completed within 30 days after completion of drilling or reworking, or within 30 days after activation of an idle well in a high impact or urban area.

(d) Before any oil or gas operation begins, all private roads used for access to the site and the site itself shall be surfaced with crushed rock, gravel, or ore, or oiled and continuously maintained to prevent dust and mud. Roads shall be at least 30 feet wide and shall provide for area drainage. These requirements may be altered at the discretion of the city council after consideration of all circumstances, including but not limited to the following:

(1) Distances from public streets and highways and adjoining and nearby property owners whose surface rights may or may not be leased by the operator.

- (2) The purpose for which the property of such owners is or may be used;
- (3) Topographical features;
- (4) Nature of the soil; and
- (5) Exposure to wind.

(e) Upon completion of review by the director or his designee, a written report and recommendation shall be made to the city council. The recommendation and report must be completed within 60 days of receipt of an application. If a consultant is retained, consultant will have 30 days from receipt of the application to issue recommendations. However, taking into account the foregoing provisions, should the director feel that additional time is needed for the consultant to submit recommendations, a request for an extension may be submitted to the city council.

(Ord. No. 82-2004-25, § 6, 7-13-04)

Sec. 9-9-7. - Processing of permit applications.

(a) High impact area permits.

(1) After a high impact permit application is submitted, the director, if deemed necessary, may retain a consultant to evaluate the public impact of the proposed activity. The consultant shall study the application, proposed site, and proposed operations or drilling program, and shall draft recommended restrictions or conditions to be appended to the permit if issued, including but not limited to, minimum separation distance for drilling or other operations, maximum pressures for

anticipated operations, minimum test procedures for equipment, special safety equipment and procedures, hours of operation, and prohibited operations or techniques. The consultant shall recommend noise reduction levels and screening where deemed appropriate. The recommendation shall be completed and delivered to the director and applicant within 30 days after the consultant is retained. Applicant shall pay for the cost of consultant's study and recommendations prior to the public hearing.

(2) After the report is received by the city, the city secretary shall cause a notice of public hearing to be published in the official newspaper of the city, as designated by the governing body. In no event will a public hearing be held earlier than 15 days from the date of publication.

(3) All persons with property located within 2,500 feet of the proposed drill site property perimeter, as shown by the latest county appraisal district certified tax rolls, shall be notified of the public hearing by certified mail, return receipt requested. The applicant shall pay the current certified postage fee for each notification letter. These fees will be paid as part of the application process pursuant to Section V(1) [subsection 9-9-5(a)]. No notification letter shall be necessary if the applicant files a consent form, supplied by the city secretary, signed and notarized, by each such property owner who would have received notice pursuant to this paragraph.

(4) At the public hearing, the recommendation of the consultant and/or director shall be presented and any interested party shall be allowed to speak for or against the issuance of a permit. After the conclusion of the hearing, the council shall approve or deny the permit based upon the criteria herein. The council may table any application for up to 60 days and direct that the director provide further information.

(5) After the public hearing, council may approve or deny the permit based upon the criteria set forth herein and may add any conditions necessitated by the health, safety, and welfare of the public, whether or not they are included in the recommendations of the consultant and/or director.

- (b) Seismic permit.
 - (1) A proper seismic application shall include:

a. A letter requesting a geophysical permit describing the proposed system, date work will begin, and date work will end. A statement, approved by the city attorney, shall be included in the permit relieving the city of any liability for damages which may result from such activity.

b. A copy of a valid and existing public liability insurance policy, as required by this chapter.

- c. A plat outlining the areas proposed to be covered by the survey.
- d. A description of the seismic method(s) to be used.
- e. Requested time period to conduct on-site seismic testing.

(2) The director, after receiving authorization from the city council, may issue a permit for the applicant to conduct such seismic or geophysical work if the work will not create a public nuisance nor be contrary to public safety. The determination shall include, but shall not be limited to, consideration of the following:

a. Whether the location of the proposed test, considering the geology of the area, will

reasonably be expected to damage waterlines, sewer lines, structures, dwellings, or other area improvements.

b. Quality of the proposed seismic survey to be used in implementing the exploration.

(Ord. No. 82-2004-25, § 7, 7-13-04; Ord. No. 92-2004-35, 8-10-04; Ord. No. 308-2007-74, 11-13-07)

Sec. 9-9-8. - Location regulations.

- (a) No oil or gas drill site or operation may be located:
 - (1) Within 50 feet of any street, right-of-way, alley, or utility easement.

(2) Within 1,000 feet of the property line of a cemetery, park, public or private water supply well, or residential unit, without a notarized waiver by the residential unit property owner and the party entitled to occupy the premises.

(3) Within 1,000 feet of the property line of any school or hospital.

(4) In any public park unless authorized by State law and in compliance with applicable provisions of this chapter.

(5) In any city streets or alleys.

(b) No drilling or re-working shall occur within 300 feet of any oil storage tank, ignition source, or building.

(Ord. No. 82-2004-25, § 8, 7-13-04)

Sec. 9-9-9. - Criteria for granting or denying permit.

(a) The council shall review the application, director's and/or consultant's report, and any other related information and based upon such reports shall set the principal amount of the security instrument. Granting the permit shall be conditioned on applicant submitting the security instrument to the city within 30 days. The council may require any change in the operations, plan, design, layout, fencing, screening, lighting, or other matters consistent with the city's land use regulations and other applicable health, safety, and welfare ordinances. The council may accept, reject, or modify the recommendations in the interest of securing compliance with this chapter, other city ordinances, and/or to protect the health, safety, and welfare of the community.

(b) The following criteria shall be used by the council when considering a permit request:

(1) That the operations proposed are reasonable under the circumstances and conditions prevailing in the area;

(2) That the operations proposed are consistent with the health, safety, and welfare of the public when and if conducted in accordance with the permit conditions to be imposed; and

(3) That the impact upon adjacent property and the general public of operations conducted in compliance with the permit conditions are reasonable and justified, balancing the following factors:

a. The right of owner(s) of the mineral estate to explore, develop, and produce the minerals.

b. The availability of alternate drill sites, both presently and at other times during the lease terms.

c. The inconvenience, intrusion and conflict with surrounding established land uses within the corporate limits of the city.

(4) The decision of the council shall be final and in making its decision, it shall have the power and authority to refuse any permit to drill any well at any particular location within the city, when by reason of such particular location the drilling of such wells at the location would be injurious to the health, safety, welfare or well being of the inhabitants in the immediate area of the city or would not promote orderly growth and development of the city. Each permit shall:

a. By reference have incorporated therein all the provisions of this chapter with the same force and effect as if this chapter were copied verbatim in such permit.

b. Specify the location of the proposed drill site, well, or injection facility by a metes and bounds description or by specifying a lot and block number and name of any applicable addition or subdivision.

c. Contain and specify that the term of the permit shall be for a period of one year from the date of the permit.

d. Contain and specify such other terms and provisions as may be necessary in a particular case to accomplish the purpose of this chapter.

e. Contain and specify that no actual operations shall be commenced until the permittee has complied with the bond and insurance provisions of this chapter.

(Ord. No. 82-2004-25, § 9, 7-13-04)

Sec. 9-9-10. - Security instrument.

(a) A security instrument that covers each well must be delivered to the city before the issuance of a permit for a well. Approval by the city attorney of such security is required. The instrument must provide that it cannot be canceled without at least 30 days' prior written notice to the city and, if the instrument is a performance bond, that the bond cannot be canceled without at least ten days prior written notice for non-payment of premium. The instrument shall secure the obligation of the operator related to the well to:

(1) Repair damage, excluding ordinary wear and tear, if any, to public streets and infrastructure, including but not limited to, bridges, water lines, and other public infrastructure, caused by the operator or by the operator's employees, agents, contractors, subcontractors or representatives in the performance of any activity authorized by or contemplated by the permit;

(2) Compliance with the insurance and security provisions set forth in this chapter;

(3) Payment of fines and penalties imposed upon the operator by the city for any breach of the well permit;

- (4) Compliance with the performance standards set forth in this chapter;
- (5) Prompt restoration to their former condition, as determined by the director, any public

property damaged by the oil or gas operation;

(6) Prompt payment of all fees of a consultant whose services are engaged by the city pursuant to subsection 9-9-3(b) of this chapter;

(7) Prompt repair of any and all damage to city streets, as determined by the director of community development, caused by the equipment and vehicles used by operator/permittee. The director of community development will prepare or cause to be prepared specifications to be used for repairs. The costs of those specifications shall be paid by the operator/permittee.

(b) The security instrument may be provided for individual wells or on a "blanket" basis for multiple wells. The amount of the security shall be a minimum of \$50,000.00 for any single well and a minimum of \$100,000.00 for multiple wells on a "blanket" basis.

(c) The security will terminate when the gas well permit is transferred, with respect to the operator/transferor and if the operator/transferee provides replacement security that complies with this section, when the well is abandoned and the site restored, and when the director consents in writing to such termination.

(d) An appeal of the determination of the amount of security required under this section may be made to the city council for determination of the amount of security.

(e) The security instrument provided hereunder shall require the permittee/operator to expressly release and discharge, defend, indemnify and hold harmless from and against all claims, demands, actions, judgments, and executions which it ever had, or now have or may have, or assigns may have, or claim to have, against the City of Weatherford, and/or its departments, its agents, officials, 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 gas well permit or caused by or arising out of, that sequence of events which occur from the operator operating under the well permit and the work performed by the operator, and providing that the permittee/operator shall fully release defend, protect, indemnify, and hold harmless the City of Weatherford, Texas, and/or its departments, agents, officials, 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 Weatherford, Texas, and/or its departments, agents, officials, 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 well permit and, the operator agrees to release, defend, indemnify and hold harmless the City of Weatherford, Texas, and/or its departments, and/or its officials, 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 and/or its departments, its officials, officers, agents, servants, or employees, created by, or arising out of, the acts or omissions of the City of Weatherford occurring on the drill site or operation site in the course and scope of inspecting and permitting the gas wells Including, but not limited to, claims and damages arising in whole or in part from the sole negligence of the City of Weatherford occurring on the drill site or operation site in the course and scope of inspecting and permitting the 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 Weatherford, 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. Liability for the sole negligence of the city in the course and scope of its duty to inspect and permit the well is limited to the maximum amount of recovery under the Tort Claims Act.

(f) The security instrument may be in the form of an irrevocable letter of credit or bond issued by a bank or surety approved by the city. The instrument shall run to the city for the benefit of the city, shall become effective on or before the date the permit is issued, and shall remain in effect until the well is abandoned and the site restored.

(g) A certificate of deposit may be substituted for the letter of credit or payment bond. The certificate shall be issued by a bank in Parker County, Texas, shall be approved by the city, shall be payable to the order of the city to secure the obligations of the operator described above, and shall be pledged to the bank with evidence of delivery provided to the director. The bank shall be instructed of the terms and conditions in this chapter for oil and gas operation security instruments. Interest on the certificate shall be payable to the operator.

(Ord. No. 82-2004-25, § 10, 7-13-04)

Sec. 9-9-11. - Insurance.

Operator shall carry a policy or policies of insurance issued by an insurance company or companies authorized to do business in Texas. The insurance policy or policies required as part of the application shall provide that they shall not be canceled without prior written notice to the city secretary at least 30 days before the effective date of such cancellation. If such insurance policy or policies are canceled, the permit shall terminate on such date of cancellation and the operator's right to operate under such permit shall cease until the operator files additional insurance as provided herein. The policy or policies in the aggregate shall provide for the following minimum coverages:

- (1) Standard insurance policies required.
 - a. Commercial general liability policy
 - b. Automobile liability policy
 - c. Workers compensation policy
 - d. Well control insurance
- (2) General requirements applicable to all policies.

a. General liability, automobile liability and well control insurance shall be written by a carrier with A:VIII or better rating in accordance with the current Best Key Rating Guide.

b. Only insurance carriers licensed and admitted to do business in the State of Texas will be accepted.

c. Deductibles shall be listed on the certificate of insurance and are acceptable only on a per occurrence basis for property damage only.

d. Policies must provide coverage on an "occurrence" basis. Claims made policies will not be accepted.

e. The City of Weatherford, its officials, employees and volunteers, are to be added as "additional insured" to the general liability, automobile liability, and well control insurance policies. The coverage shall contain no special limitations on the scope of protection afforded to the owner, its officials, employees or volunteers and shall be on a form approved by owner.

f. A waiver of subrogation in favor of the owner with respect to workers' compensation insurance must be included.

g. Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to the City of Weatherford.

(3) Commercial general liability.

a. Minimum combined single limit of \$5,000,000.00 per occurrence for bodily injury and property damage.

b. Coverage shall be at least as broad as Insurance Services Office Number CG 00 01.

c. No coverage shall be deleted from the standard policy without notification of individual exclusions being attached for review and acceptance.

- (4) Well control insurance.
 - a. Minimum limit of \$5,000,000.00 per occurrence.

b. Policy shall cover the cost of controlling a well that is out of control, redrilling or restoration expenses, seepage and pollution damage. Damage to property in the operator's care, custody, and control with a sub-limit of \$500,000.00 may be added.

(5) Automobile liability.

a. Minimum combined single limit of \$500,000.00 per occurrence for bodily injury and property damage.

b. The business auto policy must show Symbol 1 in the covered autos portion of the liability section in Item 2 of the declarations page.

- (6) Workers' compensation.
 - a. Employer's liability limits of \$100,000.00 for each accident is required.

b. Texas Waiver of Our Right to Recover from Others Endorsement, WC 42 03 04, shall be included in this policy.

(7) Certificates of insurance.

a. Certificates of insurance shall be prepared and executed by the insurance company or its authorized agent, and shall contain the following provisions:

1. The company is licensed and admitted to do business in the State of Texas;

2. Insurance set forth by the insurance company are underwritten on forms which have been provided by the Texas State Board of Insurance or ISO;

3. Sets forth all endorsements and insurance coverage according to requirements and instructions contained herein;

4. Shall specifically set forth the notice of cancellation, termination, or change in coverage provisions to the City of Weatherford; and

5. Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.

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

(Ord. No. 82-2004-25, § 11, 7-13-04)

Sec. 9-9-12. - Permit regulations.

In the event of a failure of a permittee to comply with any provision of this chapter, the director shall issue in writing a notice to the permittee of the nature of the non-compliance and stating a reasonable time, if compliance has not been made, in which the council may suspend or cancel the permit.

(1) *Permit period.* A permit shall be issued for one year. At the end of such time, if operator wishes to continue his oil or gas operation, the permit shall be updated by the filing of a renewal application.

(2) Renewal.

a. Operator shall submit an application form for a renewal permit no later than 60 days before the expiration of such person's permit, and indicate in the application what changes, if any, are requested at the operation site. An inspection and renewal fee as set by the city council shall be paid at the time of re-application, and operator shall only be required to submit documents with is application for changes that occurred at the operation site.

b. Within 15 days of the filing of a renewal application, the director or his designee shall inspect the oil or gas operation site to determine compliance with this chapter.

c. If no change in operations is proposed or has taken place, or the operator is re-working the operation site, and inspection reveals compliance with this chapter during the preceding permit period, the director shall issue a renewal permit. Otherwise, the renewal application shall be processed as an original application.

d. Upon application for a renewal permit, the director can consider the deterioration of the quality of the material of which such facility or structure is constructed, the degree of rust and its appearance, and recommend repainting or other remedial steps to be taken as a condition of renewal.

e. If any change or addition to the permit information on the application occurs, such

change or addition during the period of the permit shall be communicated to the city secretary and the director within ten days of the date of such change or addition.

(Ord. No. 82-2004-25, § 12, 7-13-04)

Sec. 9-9-13. - Permit suspension or revocation.

(a) The director may, in writing, recommend to the city council the suspension or revocation of any permit issued under the provisions of this section. Such recommendation shall be based upon the occurrence of one or more of the following acts or omissions:

(1) Permittee failed, neglected, or refused to perform and comply with the conditions of the permit.

(2) Permittee failed, neglected, or refused to comply with or abide by, or in any way violated any provision of this chapter or any regulation, law, rule, or order either directly or indirectly, by reason of or in connection with or incidental to the conduct of such person's oil or gas operation.

(3) Any of the permittee's operations or the continuance thereof upon the premises covered by the permit pose a hazard to public or private property, to the lives or safety of persons, or to any legitimate interest in the city.

(4) Any of the permittee's operations or the continuance thereof upon the premises covered by the permit constitute a public nuisance.

(5) Permittee made any willful misrepresentation of facts in any application for any such permit or in any report or record required by this chapter to be submitted by the city.

(6) Permittee burned or allowed to burn oil, gas, or other hydrocarbons in the city.

(b) City council shall consider the director's recommendation at a posted public meeting at which the applicant is allowed to give testimony regarding the proposed revocation or suspension. City council's decision to accept or reject the directors recommendation shall be based upon the criteria contained in subsection (a) of this section, the information received from the director, and the facts and information presented at the public meeting.

(c) No person shall carry on any operations performed under the terms of any permit during any period of permit suspension or revocation, or pending a judgment of the court upon any application for writ taken to review the decision or order of the city in suspending or revoking such permit; provided, however nothing herein contained shall be construed to prevent the performance of such operation as may be necessary in connection with a diligent and bona fide effort to cure and remedy the default or violation for which the suspension or revocation of the permit was ordered, or such operation as necessary for the safety of persons or as required by the commission.

(Ord. No. 82-2004-25, § 13, 7-13-04)

Sec. 9-9-14. - Supplemental permit for deep drilling.

(a) Once any well has either been completed as a producer or abandoned as a dry hole, it shall be unlawful and an offense for any person to drill such well to a deeper geological formation than that reached in the prior drilling operations without the permittee as to such well, obtaining a supplemental permit after filing a supplemental application with the city council specifying:

- (1) The condition of the well and the casing therein;
- (2) The depth to which it is proposed that such well will be deepened;

(3) The proposed casing and cementing programs to be used in connection with the proposed deepening operation.

(b) In the event the council is satisfied that such well may be deepened with the same or greater degree to safety as existing in the original well, a supplemental permit to the permittee may be issued for an additional filing fee authorizing the deepening and operation of the well to such specified depth as applied for. In any deeper drilling or any deeper completion of any deeper production operations, the permittee shall comply with all provisions contained in this chapter and applicable to drilling, completion, operation and production of a well or wells.

(c) If the operator has removed the derrick and drilling equipment form the location, the supplemental permit shall comply with all requirements specified for permits in this chapter.

(Ord. No. 82-2004-25, § 14, 7-13-04)

Sec. 9-9-15. - Use of streets and alleys.

(a) No permittee shall make any excavations for any purpose or construct any lines for conveyance of fuel, water or mineral on, under or through the streets or alleys or other land of the city without an express easement or right-of-way license from the city, at a price to be agreed upon, and then only in strict compliance with this chapter and any other ordinance of the city and the specifications established by the department of community development.

(b) The digging up, breaking, excavating, tunneling, undermining, breaking up, or damaging of any street as herein defined, or leaving upon any street any earth or other material or obstruction, shall not be permitted unless such persons shall first have obtained written permission from the department of community development, and then only in compliance with specifications established by such department.

(c) No well shall be drilled and no permit shall be issued for any well to be drilled at any location which is within any of the streets or alleys of the city and/or streets or alleys shown by the comprehensive plan of the city, and no street shall be blocked or encumbered or closed in any drilling or production operation, or for any mineral exploration unless prior consent is obtained by the city council, and then only temporarily.

(Ord. No. 82-2004-25, § 15, 7-13-04)

Sec. 9-9-16. - On-site requirements.

(a) If a fence is required pursuant to subsection 9-9-6(d), such fence must remain locked at all times when the permittee or his employees are not within the enclosure.

(b) At all times from the start of erection of a derrick, mast, or a pinpole, until the well is abandoned and plugged or completed as a producer and enclosed as herein provided, the permittee shall keep a watchman on duty on the premises at all times when other workers or permittee are not on such premises.

(c) No refining process or any processes for the extraction of products from natural gas shall be

carried on at the drill site, except that a dehydrator and separator may be maintained on the drill site for the separation of liquids from natural gas. Any such separator shall serve only one well.

(d) Only electric prime movers or motors shall be permitted for the purpose of pumping wells.

(e) Permanent weatherproof signs reading "DANGER NO SMOKING ALLOWED" shall be posted at the entrance of each well site and tank battery. The sign shall include the emergency notification number for emergency services (911) and the operator, drilling block number, and well and lease designations required by the commission.

(f) No person shall place, deposit, discharge, cause, or permit to be placed, deposited, or discharged, any oil, naphtha, petroleum, asphalt, tar, hydrocarbon substance, or any refuse including wastewater or brine, from any oil and gas operation or the contents of any container used in connection with any oil operation in, into, or upon any public right-of-way, storm drain, ditch or sewer, sanitary drain or sewer, any body of water, or any private property in the city.

(g) All production equipment on the site shall be painted and maintained at all times, including pumping units, storage tanks, buildings and structures.

(h) After completion of well servicing or abandonment, operator shall repair all damage to public property caused by such servicing or abandonment operations.

(i) All property on which an oil or gas operation occurs shall at all times be kept free of debris, pools of oil, water or other liquids, weeds, brush, trash, or other waste material.

(j) Drilling mud, cuttings, oil, or liquid hydrocarbons and all other oil field waste derived or resulting from or connected with the drilling, re-working, or deepening of any well shall be discharged only into a portable steel tank. Unless otherwise directed by the commission, waste materials shall be removed from the operation site no later than every 30 days.

(k) At the conclusion of any drilling or re-working operations, the drill site shall be cleaned within 48 hours of all equipment and machinery that is not needed to produce the well.

(I) Operator shall at all times comply with all applicable federal, state, and city requirements.

(m) Site development other than drilling shall be conducted only between 7:00 a.m. and 7:00 p.m. unless otherwise further restricted by the city council.

(n) All fire suppression and prevention equipment required by the city building inspector/code enforcement officer, any applicable state law and this [chapter] or any other ordinance shall be provided by the permittee at the drill site, at the permittee's own cost, and maintenance and upkeep shall be permittee's responsibility. Such equipment shall remain on the premises at all times.

(o) All oil or gas operations shall be conducted in a careful and orderly manner and the premises shall at all times be maintained in a neat, clean, and orderly manner. All discarded surplus materials, supplies, and refuge shall be removed from the operation site no later than every 30 days.

(Ord. No. 82-2004-25, § 16, 7-13-04)

Sec. 9-9-17. - Operations and equipment; practices and standards.

(a) It shall be unlawful and an offense for any persons to use or operate in connection with the drilling

or re-working of any well within the corporate limits of the city any wooden derrick or any steam-powered rig.

(b) All drilling and operation at any well performed by a permittee under this chapter shall be conducted in accordance with the practices of a reasonable and prudent operation as understood in the oil and gas industry. All casing, valves, and blow-out preventors, drilling fluid, tubing, well head, and well head connections shall be of a type and quality consistent with such practice. Setting and cementing casing and running drillstem tests shall be performed in a manner and at a time consistent with the practices of a reasonable and prudent operator. Each permittee under this section shall observe and follow the regulations of the Railroad Commission of the state.

(c) An internal combustion engine may be used in the drilling operations of the well, or wells, and, if an internal combustion engine is used, mufflers shall be installed on all engines so as to reduce noise to not more than 70 decibels at any point of 100 feet beyond the drill site; all of the installations to be done in accordance with accepted practices for fire prevention purposes. For production purposes, only electric power may be used. Drilling operations must be conducted in such a manner that percolating or ground water will not be adversely affected, including the prevention of vertical movements of percolating water.

(d) All oil drilling and production operations shall be conducted in such a manner as to minimize, so far as practicable, dust, noise, vibration or noxious odors, and shall be in accordance with the best accepted practices incident to drilling for the production of oil, gas, and other hydrocarbon substances.

(e) Except in case of emergency, no materials, equipment, tools, or pipe used for drilling or production operations shall be delivered to or removed from the site except between the hours of 7:00 a.m. to 7:00 p.m. on any day. On drillstem tests, only one trip will be allowed at night between 9:00 p.m. and 7:00 a.m. unless an emergency exists.

(f) All production equipment used shall be so constructed and operated so that noise, vibration, dust, odor or other harmful or annoying substances or effect will be minimized by the operations carried on at any drilling site or from anything incident thereto, to the injury or annoyance of persons living in the vicinity; nor shall the site or structures thereon be permitted to become dilapidated, unsightly or unsafe. Proven technological improvements in methods of production shall be adopted as they, from time to time, become available if capable of reducing factors of nuisance or annoyance. There shall be no venting of gas into the open air except as allowed by the Railroad Commission.

(g) Storage of equipment.

(1) No drilling equipment, re-working equipment, other portable equipment or idle equipment which are not essential to the everyday operations of the activity located thereon shall be stored on the oil or gas operation site.

(2) Lumber, pipes, tubing, and casing shall not be left on the site except when drilling or well servicing operations are being conducted.

(3) No person, owner, or operator shall store or park any vehicle or item of machinery in/on any street, right-of-way, driveway, alley, or upon any oil or gas operation site which constitutes a fire hazard or an obstruction to or interference with fighting or controlling fires except that equipment which is necessary for the maintenance of the site or for gathering or transportation of hydrocarbons from the site. The city building inspector/code enforcement officer or fire marshal determine whether any equipment on the site constitutes a fire hazard.

(4) All well servicing equipment, including portable pulling masts and gin poles, shall be removed from the leasehold, oil or gas operation site, or drilling site within 15 days after completion of a well servicing operation.

(h) No refinery, dehydrating or absorption plant of any kind shall be constructed, established or maintained on the premises at any time. This shall not be deemed to exclude a simple gas separation process.

(i) All electric lines to production facilities shall be located in a manner compatible to those already installed in the surrounding area or subdivision.

(Ord. No. 82-2004-25, § 17, 7-13-04)

Sec. 9-9-18. - Storage tanks and separators; types and requirements.

(a) It shall be unlawful and an offense for any person to use, construct or operate in connection with any producing well within the city limits, any crude oil storage tanks, with the exception of two low-type tanks for oil storage, not exceeding a 500-barrel capacity for each well connected thereto or, in the alternative, low type tanks of sufficient capacity to hold 24 hours of production for such well; the tanks must be constructed and maintained as closed tanks and properly vented. A permittee may use, construct and operate a steel conventional separator, heater treater, vapor recovery unit and such other tanks and appurtenances as are necessary for treating oil with each such facilities, to be so constructed and maintained according to American Petroleum Institute standards. Each oil/gas separator shall be equipped with both a pressure relief safety valve and burst plate. All such tanks shall be placed above ground, and the tanks shall be placed upon a suitable earth or concrete pad.

(b) The use of a central tank battery is permitted so long as not more than two tanks as specified are used for each well connected to the battery plus one 500-barrel water tank.

(c) The tank or tanks shall be enclosed within a conventional type firewall constructed of compacted earth; sufficient water shall be used during the firewall construction to assure adequate compaction.

(d) The firewall enclosing the tanks shall have a minimum capacity equal to two times the volume of the tanks enclosed.

(e) It shall be unlawful and an offense for any person to locate a storage tank or separator site with 300 feet of any residence or commercial or public building within the city.

(Ord. No. 82-2004-25, § 18, 7-13-04)

Sec. 9-9-19. - Flow lines and gathering lines.

(a) Each permittee shall place an identifying sign at each point where a flow line or gas gathering line crosses any public street or road.

(b) Each permittee shall also place a warning sign at each point where a line carrying H²S (Hydrogen Sulfide) gas crosses any public street or road.

(c) No permittee shall make any excavation for any purposes or construct any lines for conveyance of fuel, water, or minerals, on, under, or through the streets and alleys of the city without express permission of the director of community development, in writing, and then only in strict compliance with this code and any applicable ordinance of the city; provided, however, emergency repairs may be made

without such permission when in the good faith opinion of the permittee, the delay required to obtain written permission would involve a hazard to person or property.

(d) The gathering lines and flow lines hereinafter installed in the corporate limits of the city, for the purpose of transporting oil, gas and/or water in conjunction with the operation of any well, tank, or tank battery, injection or gathering system are hereby limited to a maximum operating gauge pressure of 250 psi unless otherwise specifically approved by the director. The location of any such gathering lines and flow lines, if not specified in the permit, must be specifically approved by the director.

(e) The pipeline shall be tested prior to being placed in service.

(f) The companies responsible for any and all pipelines now existent or hereinafter installed within the corporate limits are hereby required to furnish the city an "as built" plot plan showing the location of all their facilities for permanent record with the city.

(g) All pipeline within the corporate limits, excepting the utility lines of the city and the distribution system of any gas company who holds a franchise with the city, designed or utilized to transport oil, gas, or water in connection with the production and transportation of oil and/or gas or for repressurizing operations shall hereafter be installed with the minimum of cover or backfill specified by the then applicable American National Safety Institute Code for such pipelines.

(h) The director is authorized to approve a lesser cover or specify a greater cover or backfill in special cases when in his/her opinion, such variation is advisable and/or will not increase the degree of hazard.

(i) The requirements for construction in public right-of-way must conform to such ordinances of the town regulating such construction.

(j) The digging up, breaking, excavating, tunneling, undermining, breaking up, damaging of any street as herein defined, or leaving upon any street any earth or other material or obstruction, shall not be permitted unless such persons shall first have obtained written permission from the director of community development, provided, however, that emergency repairs may be made without such permission when in the good faith opinion of the operator/permittee the delay required to obtain the written permission would involve a hazard to a person or property. Operator/permittee shall be responsible for repair and reconstruction of all streets damaged and for all costs associated therewith.

(Ord. No. 82-2004-25, § 19, 7-13-04)

Sec. 9-9-20. - Prohibited conduct/penalty clause.

(a) It shall be unlawful and an offense for any person to:

- (1) Engage in any activity not permitted by the terms of a permit issued under this chapter;
- (2) Fail to comply with any conditions set forth in a permit issued under this chapter; or
- (3) Fail to comply with any provision or requirement of this chapter.

(b) Except as specifically provided otherwise, any person violating any of the provisions of this chapter shall be deemed guilty of a Class C misdemeanor upon conviction and shall be fined, except as otherwise provided herein, in a sum not to exceed \$2,000.00 for each offense, and a separate offense shall be deemed committed upon each day during or on which a violation occurs or continues.

(c) If the governing body of the City of Weatherford determines that a violation of this chapter creates a threat to the public safety, the city may bring suit in the district court of the county in which the person who committed the offense resides or has an office to enjoin the person, firm, partnership, corporation, or association from engaging in the prohibited activity. The City of Weatherford is not required to give bond as a condition to the issuance of injunctive relief.

(Ord. No. 82-2004-25, § 20, 7-13-04)