## PART 20

## OIL AND GAS REGULATIONS

## CHAPTER 1

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# § 20-101. INTENT AND PURPOSE.

Whereas the imprudent operations of an oil or gas facility can constitute a menace to the public health, safety and welfare of the city, it is the intent and purpose of this Chapter that oil and gas operations be reasonably regulated for the public good. (Ord. No. 334, 9/16/86; Ord. No. 456, 11/1/94)

## § 20-102. <u>DEFINITIONS.</u>

For the purposes of this Chapter, the following definitions shall apply:

- A. "City" shall mean the City of Choctaw, Oklahoma;
- B. "State" shall mean the State of Oklahoma, its branches, departments, agencies, boards or the officers thereof;
- C. "Person" shall mean and include any person, firm, partnership, association, corporation, trust, cooperative, or other type of organization;
- D. "Permittee" shall mean the person to whom is issued a permit or permits under the terms of this Chapter;
- E. "Well" shall mean, unless specifically qualified, any hole or holes, bore or bores, to any depth for the purpose of producing and recovering any oil, gas or liquified petroleum matter or deleterious substances, or for the injection or disposal of any of the foregoing;
- F. "Natural production" shall mean the raising to the surface of the earth, by natural flow, petroleum or natural gas;
- G. "Artificial production" shall mean the raising to the surface of the earth, by means other than natural flow, petroleum or natural gas;

- H. "Deleterious substance" shall mean any chemical, salt water, oil field brine, waste oil, waste emulsified oil, basic sediment, mud or injurious substances produced or used in the drilling, development, producing, transportation, refining and processing of oil, gas or condensate;
- I. "Pollution" shall mean the contamination or other alteration of the physical, chemical, or biological properties of any natural waters of the City, or such discharge of any liquid, gaseous or solid substance into any water of the City as will or is likely to create a nuisance or render such waters harmful or detrimental or injurious to public health, safety, or welfare; to domestic, commercial, industrial, agricultural, recreational, or other beneficial uses; or to livestock, animals or aquatic life;
- J. "Water", "waters of the city" or "city water" shall mean all streams, lakes, ponds, marshes, watercourses, waterways, wells, springs, irrigation systems, drainage systems, and all other bodies or accumulations of water, surface and underground, natural or artificial, public or private, which are contained within, flow through or border upon the City or any portion thereof;
- K. "Pressure maintenance" shall mean an operation by which gas, water or other fluids are injected into a supply of oil or gas reservoir to maintain pressure or retard pressure decline therein for the purpose of facilitating recovery therefrom, and which has been approved by the Corporation Commission after notice and hearing;
- L. "Enhanced recovery" shall mean an operation by which fluid or energy is introduced into a source of supply for the purpose of facilitating recovery therefrom;
- M. "Corporation Commission" shall mean the Oklahoma Corporation Commission;
- N. All technical or oil and gas industry words or phrases used herein and not specifically defined herein shall have that meaning customarily attributable thereto by prudent operators in the oil and gas industry;
- O. "Oil and Gas Inspector" shall mean that person, firm or corporation appointed by the City Manager to enforce the provisions of this chapter, or by his authorized representatives;
- P. "Abandoned well" shall mean any natural production or enhanced recovery well in which production casing has been run but which has not been operated for six (6) months; and the City has not granted temporarily abandoned status; each well in which no production casing has been run, and for which drilling operations have ceased for thirty (30) consecutive days; and each well for which a city permit has not been obtained;
- Q. "Temporarily abandoned well" shall mean any well, for which the city has issued a permit as a "temporarily abandoned well";
- R. "Salt water" as used in this chapter shall mean any water containing more than two hundred fifty (250) mg/l chlorides;

- S. "Treatable water" shall mean surface and subsurface water in its natural state which may or may not require treatment to be useful for human consumption, and contains less than ten thousand (10,000) ppm total dissolved solids and/or five thousand (5,000) ppm chlorides;
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T.	"Injection well" shall mean any well used for the injection of any fluid and shall incluwells used for enhanced recovery and injection purposes;	
U.	gather entert	ic building" shall mean all buildings used or designed and intended to be used for ting together fifty (50) or more persons for such purposes as deliberation, ainment, amusement, health care, or awaiting transportation. Public buildings le, but shall not be limited to:
	1.	Armories;
	2.	Assembly halls;
	3.	Auditoriums;
	4.	Bowling lanes;
	5.	Clubrooms;
	6.	Conference rooms;
	7.	Courtrooms;
	8.	Dance halls;
	9.	Drinking establishments;
	10.	Exhibition halls;
	11.	Gymnasiums;
	12.	Hospitals;
	13.	Libraries;
	14.	Mortuary chapels;
	15.	Motion picture theaters;
	16.	Museums;

17.

Pool rooms;

- 18. Recreation piers;
- 19. Restaurants;
- 20. Skating rinks; and
- 21. Theaters:
- V. "Drinking quality water" shall mean water from a fresh water well or a City water supply and suitable for domestic use;
- W. "Dry hole" shall mean any well which is determined to be noncommercial and in which plugging operations are completed within ninety (90) days of the initial removal of the completion rig from the well;
- X. "Pipeline" shall mean any pipe constructed or used to transport produced oil, water or gas or any water or other fluid for enhanced recovery or disposal purposes in association with any oil or gas production operation; and
- Y. "Conduit" shall mean any casing used to protect one or more pipelines where the pipeline crosses a city street or alley.

#### § 20-103. PERMITS.

It is unlawful and an offense for any person acting for himself or acting as agent, servant, employee, subcontractor, or independent contractor or any other person, to commence to drill an original well or re-enter any abandoned well or plugged well or temporarily abandoned well or to change the status of any well or to plug any well or to relocate or to enlarge any surface production facilities within this City, or to work upon or assist in any way in the production or operation of any such well or other oil and gas facility, without a permit having first been issued by the authority of the Oil and Gas Inspector in accordance with this Chapter.

#### § 20-104. APPLICATION AND FILING FEE.

- A. Every application for a permit to drill an original well, to deepen an existing well or to re-enter an abandoned well, except when a valid permit exists, shall be in writing, signed by the applicant or by some person duly authorized to sign same on his behalf, and it shall be filed with the Oil and Gas Inspector and be accompanied by a filing fee in the amount established by the City Council in cash or certified funds. No application shall request a permit to drill more than one well. The application shall contain full information required by the Oil and Gas Inspector, including the following:
  - 1. Name and address of applicant and date of application;
  - 2. Where applying for a proposed original well:
    - a. A plat of the surface surrounding the drill site and proposed surface

facilities, including thereon the location of the proposed well, the proposed surface facilities, pipe lines, roads, powerlines, fences, streams and ponds. The plat should show the distances from the proposed well bore and proposed production facilities to all dwelling houses, buildings, or other structures designated for the occupancy of human beings or animals within six hundred (600) feet of the proposed well bore and the proposed production facilities. The plat should also show the distances from the proposed well bore and proposed surface facilities to all oil, gas, or fresh water wells located within six hundred (600) feet of the proposed well or production facilities; and

- b. The names of the mineral, surface and lease owners;
- 3. A copy of the approved Notice of Intent to Drill from the Corporation Commission and a copy of the staking plat, showing the location and elevation of the proposed wellbore signed by a registered surveyor;
- 4. The applicant shall provide all of the information shown in Exhibit "A" as attached to and hereby incorporated into this ordinance by reference. Plugging procedures to be used in the event production is not established shall also be specified. A well bore diagram showing the proposed plugging of a dry hole shall be included. The applicant shall provide any additional information which may be required by the Oil and Gas Inspector;
- 5. A statement of the provisions for water for the drilling rig;
- 6. The name and address of the person within the State of Oklahoma upon whom service or process upon applicant may be made within this State; and in the case of any non-resident person who has no such service agent within this State, there shall be attached to the application the designation of such a service agent resident in Oklahoma County, Oklahoma, and a consent that service of summons may be made upon such person in any action to enforce any of the obligations of the applicant hereunder; and
- 7. A verification of the above information by the applicant hereunder.
- B. Where the application is one for the re-entry of an abandoned well or plugged well, the application shall contain all the information required in subsection A, with the exception that the Oil and Gas Inspector may vary the requirements thereof to suit the application before him. Provided, that such application for a permit to re-enter an abandoned well shall provide the following information in every case:
  - 1. A statement of:
    - a. The then condition of the well at time of present application;
    - b. The depth to which it is proposed such well shall be deepened;

- c. The proposed casing program to be used in connection with the proposed re-entry; and
- 2. A statement of the tests which are to be performed on the casing strings in order to show that the casing meets the same requirements for casing as for an original well.
- C. There shall be no fee charged for the re-entry of a temporarily abandoned well in full compliance with the requirements of the City ordinance except when the application includes the deepening of the well.

#### § 20-105. ISSUANCE OR REFUSAL OF PERMIT.

- A. The Oil and Gas Inspector's office within thirty (30) City business days after the filing of a complete application for a permit under this chapter shall determine whether or not said application complies in all respects with the provisions of this ordinance and applicable Federal and State law, and, if it does, shall recommend to the Board of Adjustments that the permit be issued. Each permit issued under the terms of this chapter shall:
  - 1. By reference have incorporated therein all the provisions of this chapter with the same force and effect as if this chapter were copied verbatim therein;
  - 2. By reference have incorporated therein all the provisions of applicable State law and the rules, regulations and standards adopted in accordance therewith relating to the protection of human beings, animals, and natural resources;
  - 3. Specify that the term of the permit shall be for a period of one (l) year from the date of issuance thereof, and for like periods thereafter upon the successful inspection of the permittee's well and operations, as is provided for elsewhere herein;
  - 4. Specify such conditions imposed as are by this chapter authorized; and
  - 5. Specify that no actual operations shall be commenced until the permittee shall file and have approved the required bonds and certificate of insurance in the appropriate amounts as provided for elsewhere herein.
- B. If the permit is issued by the City, it shall, in two (2) originals, be signed by the Oil and Gas Inspector and the permittee, and when so signed shall constitute the permittee's license to drill and operate in the City and the contractual obligation of the permittee to comply with the terms of such permit, such bonds as are required, and applicable State law, rules, regulations, standards and directives. One executed original copy of the permit shall be retained by the Oil and Gas Inspector; the other shall be retained by the permittee and shall be kept available for inspection by any City or State law enforcement official who shall demand to see same.

C. If the approved permit is refused, or if the applicant notifies the Oil and Gas Inspector in writing that he wishes to withdraw his application prior to approval by council, or if the applicant fails to execute the approved permit within ten (10) City business days of date of City approval, then upon the happening of any of said events the cash fee filed with the application shall be refunded to the applicant, except that there shall be retained therefrom by the City the sum as established by the City Council as a processing fee. (Ord. No. 715, 7/15/14)

#### § 20-106. PERMITTEE'S INSURANCE AND BOND.

- A. In the event a permit shall be issued by the City, no operations shall be commenced until the permittee shall file with the City a perpetual irrevocable letter of credit executed by a bank or perpetual bond executed by a reliable insurance company authorized to do business in the State, as surety, and with the applicant as principal, running to the City for the benefit of the City and all persons concerned as follows:
  - 1. The permittee shall obtain a perpetual bond or irrevocable letter of credit in the principal sum of at least Twenty-five Thousand (\$25,000) Dollars conditioned as follows:
    - a. The permittee will comply with the terms and conditions of this Chapter in the operation of the well for either natural or artificial production, injection or disposal;
    - b. Said bond shall become effective on or before the date the same is filed with the City and remain in perpetual force and effect;
    - c. Said bond will be conditioned that the permittee will promptly pay fines, penalties, and other assessments imposed upon the permittee by reason of his breach of any of the terms, provisions and conditions of this Chapter;
    - d. The permittee will promptly restore the streets, sidewalks and other public property of the City which may be disturbed or damaged in permittee's operations, to their former condition;
    - e. The permittee will promptly clear all premises of all litter, trash, waste, and other substances, and will, after abandonment, grade, level and restore said property to the same surface condition, as existed prior to commencing operations as soon as is practicable thereafter;
    - f. The permittee shall indemnify and hold harmless the City from any and all liability attributable to granting the permit or any of the operations of permittee under the permit including costs and attorney's fees.
    - g. When a permittee operates several wells in the City, he may post a perpetual blanket bond or an irrevocable blanket letter of credit in the amount of One Hundred Fifty Thousand (\$150,000) Dollars to cover all of

- his wells in the City.
- h. Any permittee whose bonds do not fully comply with these requirements shall provide new bonds or irrevocable letter of credit at the next anniversary date of the permit.
- 2. The permittee shall obtain a perpetual bond or irrevocable letter of credit in the principal sum of at least One Million (\$1,000,000) Dollars or pollution insurance policy as outlined in subsection B (1) below. Said bonds are conditioned as follows:
  - a. The permittee will comply with every applicable Federal and State law, rule, regulations, standard or directive relating to the maintenance of the safe and beneficial physical, chemical and biological properties of any natural waters of the City;
  - b. The permittee shall obtain the necessary permits from the City and State with regard to any operations which have the potential of rendering such waters harmful or detrimental or injurious to the public health, safety and welfare:
  - c. The permittee shall bear all the costs necessary and incidental to the correction of any pollution to said waters caused by the permittee or permittee's agents, servants, employees, subcontractors or independent contractors;
  - d. The permittee shall pay all fines, penalties, assessments or judgements resulting directly or incidentally from the permittee's activities and which result in pollution of City waters;
  - e. The permittee shall indemnify and hold harmless the City from any and all liability attributable to granting the permit where such liability results from the pollution of City waters; or
- B. In the event a permit shall be issued by the City, no operations shall be commenced until the permittee shall file with the City an insurance policy or policies executed by a reliable insurance company authorized to do business in the State, as insurer, and with the applicant as principal, running to the City for the benefit of the City and all persons concerned as follows:
  - 1. The permittee shall obtain pollution insurance in the principal sum of at least One Million (\$1,000,000) Dollars conditioned as follows:
    - a. The policy shall indemnify the insureds for all losses incurred due to pollution of any waters of the city. The indemnification and loss to include, but not be limited to reimbursement to the city for all costs incurred in clean up or containment of any pollution of the waters of the

city, including the Garber-Wellington Aquifer, and in restoring the waters to their previous condition; any additional costs of water treatment or other costs incurred to supplement or continue the city's water supply and services prior to cleanup and restoration; and, any net revenues lost by reason of irreparable damage to any waters of the city or to water stored by the city or which could have been stored by the city;

Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed that the policy shall not apply to any loss:

- (1) which occurs during the period of the policy which is not reported in writing to the underwriters within the policy period or within thirty-six (36) months following the expiration of the policy.
- (2) which arises out of an occurrence which commences prior to the inception date of the policy.
- (3) where notice has been given to the insurers of any other pollution insurance policy.
- b. For the purposes of this policy, the term "water" or "waters of the city" shall mean all rivers, streams, lakes, ponds, marshes, watercourses, waterways, aquifers, wells, springs, irrigation systems, drainage systems and all other bodies or accumulations of water, surface and underground, natural or artificial, public or private, which are contained within, flow through or border upon the city or any portion thereof;
- c. The city shall be named as additional insureds hereunder. However, this extension shall not limit the city from any rights it would have, had it not been included as an additional insured;
- d. The limits of liability as provided by this policy shall be in the sum of One Million (\$1,000,000) Dollars for each accident or occurrence;
- e. This policy is specifically intended to cover all claims made by third parties against the city, but only in respect of the right and interests in wells scheduled below;
- f. The well insured hereunder represents one hundred percent (100%) interest irrespective of the insureds working interest being less than one hundred percent (100%);
- g. The deductible applicable shall be Twenty-five Thousand (\$25,000) Dollars any one accident or occurrence;
- h. In the event of expiration of the term of this policy any well which is in course of drilling at the time of such termination shall continue under full

coverage afforded by the policy until drilling of the well is completed or complete abandonment of the well. Where a well hereon has been covered while drilling, coverage shall continue while producing until policy expiry without additional premium;

- i. The policy shall identify covered well by operator, lease, well number and United States Survey location, including quarter section, township and range;
- j. The city shall receive thirty (30) days written notice by certified mail with return receipt requested prior to any termination, cancellation or change in any of the conditions of the policy. Notice shall be mailed to the following address:

The City of Choctaw Post Office Box 567 2500 N. Choctaw Road Choctaw, Oklahoma 73020-0567;

- k. The policy shall show the name and address of the authorized agency. The policy shall be issued by an insurer authorized to do business in the state.
- 2. The permittee shall obtain an aggregate policy or policies of standard comprehensive public liability insurance, including contractual liability covering bodily injuries and property damage in the minimum principal sum of at least One Million (\$1,000,000) Dollars conditioned as follows:
  - a. Policy or policies per occurrence combined bodily injuries and property damage;
  - b. Permittee shall file with the City, certificates of said insurance;
  - c. Permittee shall obtain the written approval from the City promptly after the date of such filing.
- C. The perpetual bond or irrevocable letter of credit or insurance policies may be terminated and canceled with written notice to the City at least thirty (30) days prior to the effective date of such cancellation, and provided a replacement perpetual bond or irrevocable letter of credit or insurance policies is in place prior to said termination or cancellation.
- D. In the event said bonds or irrevocable letter of credit or policy or policies are terminated and canceled, in violation of subparagraph C. just above, the permit granted shall immediately thereupon terminate without any action on the part of the City, and permittee's rights to operation under said permit shall cease until permittee files additional approved bonds or irrevocable letter of credit or insurance as provided herein.

# § 20-107. CONVERSION FROM NATURAL OR PRIMARY TO ENHANCED RECOVERY OR DISPOSAL WELL.

- A. No person shall convert any well from natural or primary production to a use for enhanced recovery or disposal without first obtaining the necessary permit therefor.
- B. No person shall re-enter any abandoned well or temporarily abandoned well or drill an original well to be used for enhanced recovery without first obtaining the necessary permission therefor.

# § 20-108. ENHANCED RECOVERY AND SALT WATER OR DELETERIOUS SUBSTANCES DISPOSAL WELLS AND SETTING ANNUAL FEE.

- A. An application for such permit as may be required by the preceding section shall be in the same form as that required for a permit to drill an original well, and shall contain complete information required by the Oil and Gas Inspector, including the following:
  - 1. A plat map of the well site, showing all equipment to be used thereat, location of pipelines, access road, and distances from the well to any and all fences, public roadways, and buildings within a minimum radius of six hundred (600) feet;
  - 2. A plat map of the project, showing:
    - a. The location of all supply, disposal, injection and producing wells;
    - b. All conduits;
    - c. Tank battery, pumping station and appurtenant equipment;
    - d. All wells in the project area and those located in the sections immediately adjacent, to include producing, abandoned, disposal, and public or private fresh water supply wells.
  - 3. Evidence that all wells in the area of the project and adjacent section have been properly cased and cemented and evidence that all plugged wells in the project and adjacent sections have been properly plugged;
  - 4. All wells associated with the project shall be indicated by status (e.g., P and A, injection, SW, oil, etc.), and show the following additional information:
    - a. Footage location (surface);
    - b. DF or KB elevation;
    - c. Drilled total depth;
    - d. Plugged back total depth (PBTD);

- e. Size, depth and quality of surface and production casing;
- f. Location of all plugs, packers, cement plugs, tubing anchors, etc., within the well bore;
- g. Depth and nature of all cement squeeze jobs;
- h. Formation name and depth of all open perforations and zones producing open hole;
- i. Volume and type of cement used on surface and production strings; and
- j. Top of cement;
- 5. One copy of all electric, mechanical, sample and driller's log, if available;
- 6. Fee and operation name for each well;
- 7. One copy of all cement bond logs and production logs;
- 8. One copy of all work performed on the well;
- 9. Copies of all information supplied to the Corporation Commission, and the Commission's approval of the project; and
- 10. Each injection well in the project shall be pressure tested to a pressure at least 250 PSI higher than the pressure approved for injection. The pressure tests shall be witnessed and approved by the Oil and Gas Inspector.
- B. Upon the receipt of a complete application required hereunder, the Oil and Gas Inspector shall have thirty (30) City business days to review same and make a recommendation of approval or disapproval to the Mayor and City Council.
- C. A fee in the amount established by the city council shall be submitted along with every application required hereunder.
- D. Injection lines shall be buried in a trench at a depth no less than four (4) feet, and shall be pressure tested (static) annually at a minimum of 150% of the pressure normally encountered at the injection pump discharge for a period of hours to be fixed by the Oil and Gas Inspector. The Oil and Gas Inspector may approve a lower test pressure for existing lines when the design working pressure of the lines or system is lower than the test pressure specified herein, but in all cases, the test pressure used shall be higher than the proposed injection pressure. Said Oil and Gas Inspector shall be notified five (5) days in advance of such test and may supervise same. Test results shall be filed with the City upon completion.

- E. Fresh water wells located within a radius of one-quarter (l/4) mile of any enhanced recovery or disposal well shall be tested semi-annually for the presence of deleterious substances, such as chlorides, sulphates and dissolved solids. Such testing is the responsibility of the permittee and at permittee's expense, to be conducted by the Oil and Gas Inspector or a person approved by the Oil and Gas Inspector. Said Oil and Gas Inspector shall be notified five (5) days in advance of such testing and may be present therefor. Test results shall be filed with the City upon completion.
- F. Each injection well in the project shall be pressure tested semi-annually to a pressure at least 250 PSI higher than the approved injection pressure. This test shall be witnessed and approved by the Oil and Gas Inspector.
- G. Every enhanced recovery, injection, or disposal well shall be equipped with tubing and packer so as to seal the injection zone from the upper portion of the casing. The annulus between the injection tubing and the casing shall be filled with a noncorrosive fluid and sealed.
- H. The permit for an enhanced recovery, injection, or disposal well shall state the approved maximum injection pressure. Exceeding this pressure shall be considered a violation of this Chapter.
- I. The injection tubing shall be equipped with a one-fourth (1/4) inch female fitting and a cut-off valve so that the Oil and Gas Inspector may measure the injection pressure by the installation of a gauge equipped with a standard one-fourth (1/4) inch fitting. The annulus between the production casing and the surface casing shall be equipped with the appropriate fitting to provide a one-fourth (1/4) inch female fitting equipped with a cut-off valve so that the pressure in the annulus may be measured by the Oil and Gas Inspector. The annulus between the production casing and the injection tubing shall be equipped with a one-fourth (1/4) inch female fitting and cut-off valve so that the pressure in this annulus may be measured by the Oil and Gas Inspector.
- J. The permittee or operator of the well shall submit to the Oil and Gas Inspector a monthly report reflecting daily inspections stating the amount of water injected during the month and the maximum tubing pressure. The City shall inspect and witness a pressure test on each injection well on a monthly basis.
- K. No lined or unlined earthen pits shall be used in conjunction with any enhanced recovery or disposal operations within the City.
- L. An annual inspection fee is hereby levied upon each well operated or maintained under a permit issued by the city:
  - 1. Such fee shall be in the amount established by the City Council, payable to the City on or before the annual anniversary date of the issuance of any permit under this chapter; and
  - 2. No permit for any well shall be considered valid for any year for which the annual

fee has not been paid. Failure to pay any required permit fee within thirty (30) days of a delinquent notice sent to the latest address provided by the permittee will result in cancellation of the permit.

- M. Every injection, enhanced recovery or disposal pump shall be equipped with an automatic shut-down system designed to shut-down the injection pump in the event that the injection pressure measured at the pump increases or decreases by ten percent (10%) or more from the pressure normally encountered at the pump.
- N. Every injection, enhanced recovery or disposal well shall be equipped with a device to automatically shut-down the pump injecting into the well in the event that the pressure measured at the injection tubing increases or decreases by ten percent (10%) or more from the pressure normally encountered at the tubing.
- O. Every salt water tank associated with any injection, enhanced recovery or disposal well shall be equipped with a device or devices to automatically shut-down the injection pumps when the level in the tank reaches eighty-five percent (85%) of the capacity of the tank. Every such tank shall also be equipped with a back-up system to shut-down the injection pumps when the tank level reaches ninety-five Percent (95%) of the capacity of the tank.
- P. Every pipeline installed to carry salt water to an injection, enhanced recovery or disposal well shall be constructed of corrosion resistant materials such as Fiberglass. Every such pipe line shall be wrapped with an electrical conductor (current loop) connected to an automatic shut-down system designed to shut-down the pumping system in the event the electrical conductor is severed.
- Q. Warning signs shall be placed to mark the location where every salt water pipeline crosses every property line.
- R. An automatic telephone alarm system shall be installed to dial the operator's office and representatives and the City's designated office in the event of any malfunction in the salt water handling system. A local visual alarm system shall also be installed to announce any malfunction in this system.
- S. The injection tubing installed in every injection, enhanced recovery or disposal well shall be complete with an internal coating or liner of corrosive resistant material.
- T. An accessible master shut-down control will be installed at a location where City personnel can activate this control in the event of a system malfunction or emergency.
- U. A fresh water monitoring well shall be located, drilled, cased, cemented, equipped, operated and sampled adjacent to every enhanced recovery, salt water or deleterious substance well as recommended by the City's Oil and Gas Inspector and approved by the Board of Adjustments. (Ord. No. 715, 7/15/14)

#### § 20-109. ANNUAL FEE TO OPERATE.

- A. An annual inspection fee is hereby levied upon each well operated or maintained under a permit issued by the City:
- B. Such fee shall be in the amount set by the council, payable to the City on or before the annual anniversary date of the issuance of any permit under this chapter.
- C. No permit for any well shall be considered valid for any year for which the annual fee has not been paid. Failure to pay any required permit fee within thirty (30) days of a delinquent notice sent to the latest address provided by the permittee will result in cancellation of the permit.

#### § 20-110. DISPOSAL OF SALT WATER.

- A. Every permittee under this Chapter shall be responsible for the safe disposal of salt water or other deleterious substances which he may bring to the surface of the earth and shall provide a plan for such disposal as required in this chapter. Such disposal shall not result in pollution of the waters of the City and shall not result in any other environmental hazard, and shall incorporate the best available techniques and equipment.
- B. In the event of any leakage or spillage of any pollutant or deleterious substance, whatever the cause thereof, the permittee shall cause the Oil and Gas Inspector to be notified thereof promptly. If, in the judgment of the Oil and Gas Inspector, such leakage or spillage represents a potential environmental hazard, he may issue whatever corrective orders he deems appropriate, and additionally may require the appropriate testing of the surface and subsurface for pollutant incursion, the cost of such test or tests to be borne by the permittee.
- C. The operator shall identify in writing to the Oil and Gas Inspector the method of disposing of salt water produced from each well. The disposal well used shall be identified by Operator, Lease, Well Number and U.S. Survey when the disposal well is located within the City limits. The Operator shall notify the Oil and Gas Inspector in writing when there is any change in the method of disposing of produced water from any producing well.
- D. No lined or unlined earthen pit shall be used in conjunction with any salt water disposal facility located in the City.
- E. No person shall inject any salt water or other deleterious substance into the annulus between the inside of the surface casing string and the next inside casing string, or into any other annulus of a well.
- F. No disposal well shall be used to dispose of any substance other than fluids produced from oil or gas wells located on the same lease or other leases in the immediate area.

#### § 20-111. COMPLIANCE WITH APPLICABLE LAWS.

No person shall drill an original well or re-enter an abandoned well or a temporarily abandoned well or change the status of any well for any purpose, or permit to exist any well, structure, equipment, pipeline, machinery, tank or other appurtenance, in violation of any of the provisions of this chapter or other City ordinances as may be applicable, or the laws, rules, regulations, operative standards or directives of the State.

#### § 20-112. SURFACE CASING.

- A. Surface casing requirements are as follows:
  - 1. Surface casing shall be set a minimum of two hundred (200) feet below the deepest fresh water zone found in the nine (9) section area surrounding the well site but in no case shall be less than 1000 feet of surface casing, measured from ground level, be installed in any new well drilled in the City;
  - 2. A resistivity and porosity electric log shall be run in the surface hole before surface pipe is set, a copy of which will be filed with the Corporation Commission, Oklahoma Water Resources Board, and the Oil and Gas Inspector, but the Oil and Gas Inspector may waive these logs when sufficient data exists to show the depth of the fresh water in the nine (9) section area. Surface pipe shall have a centralizer on the shoe joint, a centralizer within fifty (50) feet of the shoe joint and centralizers no more than two hundred (200) feet apart above the second centralizer;
  - 3. A guide shoe shall be installed on the first joint of surface casing and a float collar or equivalent shall be installed within fifty (50) feet of the first joint. No cement baskets may be installed on the surface casing;
  - 4. Surface casing requirements:
    - a. Surface casing shall be new pipe of an API grade of J or K or a higher grade. The casing shall be 8-5/8 inch outside diameter casing having a minimum weight of 24 pounds per foot or a different diameter and weight of pipe, having a wall thickness and internal yield pressure at least equal to the casing specified above;
    - b. Provided, however, that the Oil and Gas Inspector may approve used casing to be used for surface casing when he inspects the used casing and finds it to be acceptable. The used casing shall be visually inspected by the Oil and Gas Inspector and he may reject such casing based solely on this inspection and any decision by the Oil and Gas Inspector to reject the casing shall be final. Before the Oil and Gas Inspector may approve the used casing, he shall witness a successful pressure test on such casing to a minimum internal pressure of four thousand (4000) pounds per square inch (PSI). The Oil and Gas Inspector may require any additional non-destructive testing of such casing which he may consider appropriate to insure the quality and acceptability of the casing. The cost of all

pressure testing or non-destructive testing to be borne by the applicant. When used casing approved by the Oil and Gas Inspector is installed in a well, a signed, written statement stating that the casing installed was the casing approved by the Oil and Gas Inspector and that no other pipe was substituted, shall be submitted to the Oil and Gas Inspector within twenty four (24) hours of the installation of such casing. The statement shall be signed by the pipe vendors, the applicant, the trucking firm, the drilling contractor, the casing contractor, the cementer and any other firm or individual assisting with the installation of such casing; and

- 5. Only drinking quality water shall be used to mix cement used to cement the surface casing.
- B. Surface pipe and cementing requirements are as follows:
  - 1. Surface pipe shall be cemented by attempting to circulate good cement to surface by normal displacement practices. If cement cannot be circulated to surface due to washed out hole or lost circulation, the existing cement shall not be over-displaced and a plug shall be left in the bottom of the casing string to be drilled out once the surface is set. The remaining open hole behind the surface pipe shall be cemented by running a tubing string between the conductor string and the surface pipe until the top of the cement is tagged. The remaining uncemented annular space will then be cemented until good cement is circulated to surface:
  - 2. The cement used to cement surface casing shall be a grade of cement capable of reaching a minimum compressive strength of 500 PSI in 24 hours at a curing temperature of 80 degrees Fahrenheit. After the surface casing is cemented, the surface casing shall not be disturbed in any way until the cement has set a sufficient period of time to reach a compressive strength of 600 PSI at a curing temperature of 80 degrees Fahrenheit. A minimum of twelve (12) hours curing time is required on any cement used to cement surface casing before cutting off the casing or disturbing the casing. Only drinking quality water shall be used to mix cement to be placed in the well. Prior to drilling below the surface casing a cement bond log of a type approved by the Oil and Gas Inspector shall be run to check the quality of the cement bond. The Oil and Gas Inspector shall be notified so that he may be present to witness the running of the cement bond log. The applicant shall not drill below the surface casing until the Oil and Gas Inspector has examined and approved the cement bond log. If the bond log does not show good bonding then remedial cementing shall be performed as required by the Oil and Gas Inspector and an additional bond log shall be run to check the cement bond. This process shall be repeated until a good cement bond has been achieved throughout the complete interval of the surface casing.
- C. Where an existing well is to be used as an injection or disposal site, the existing casing and cement shall be of such integrity and depth as to adequately and safely isolate fresh water producing zones from the seepage or bleeding of injection fluids or deposits.

Where additional protective operations are undertaken to comply with this paragraph, the Oil and Gas Inspector shall be notified thereof sufficiently in advance in order for him to be present for such operations.

## § 20-113. PLUGGING AND ABANDONMENT.

- A. A permit shall be required to plug any well in the City with the exception of a dry hole permitted under this chapter. The fee for a plugging shall be in an amount established by the City Council.
- B. Application requirements are as follows:
  - 1. Applicant must file with the city a completed copy of the Oklahoma Corporation Commission's Form 1001 "Notification of Intention to Plug" and Form 1003 "Plugging Report."
- C. Operator shall file all other necessary forms with the city as are required by the Oklahoma Corporation Commission. (Ord. No. 619, 5/9/06)

#### § 20-114. WELL LOCATION.

- A. No well shall be drilled nor shall any tank batteries, well facilities or equipment be located and no permit shall be issued for any well to be drilled at any location which is nearer than three hundred (300) feet to any occupied or unoccupied dwelling or any other building used or designated and intended to be used for human occupancy. This distance shall be calculated from the well bore, tank batteries, well facilities and equipment to the closest exterior point of the dwelling or other subject building.
- B. No well shall be drilled nor shall any tank batteries, well facilities or equipment be located and no permit shall be issued for any well to be drilled at any location which is nearer than six hundred (600) feet to any public building, religious building or school building. This distance shall be calculated from the well bore, tank batteries, well facilities and equipment to the closest exterior point of the building. The City Council may waive the requirement for a six hundred (600) foot separation distance.
- C. No well shall be drilled and no permit shall be issued for any well to be drilled at any location which is nearer than three hundred (300) feet to an active or inactive fresh water well. This distance shall be calculated from the well bore to the fresh water well bore. An inactive fresh water well nearer than three hundred (300) feet to the proposed well bore may be plugged in accordance with the State Water Resources Board if the owner of the inactive fresh water well grants permission for such plugging.
- D. The provisions of this section shall also apply to any dwellings, public buildings, religious buildings, or other subject buildings under construction or to any fresh water wells being drilled on the date the application for a permit is filed with the Oil and Gas Inspector.

- E. The application of the provisions of this section to a proposed well shall be determined by examining the existing uses of the surrounding property as of the date the application for a permit is filed with the Oil and Gas Inspector.
- F. The provisions of this section shall not apply to wells, facilities or equipment in use on the effective date of this chapter.

#### § 20-115. MOVEMENT OF HEAVY EQUIPMENT.

- A. The permittee shall submit to the Oil and Gas Inspector the description of the route to be used for the move-in and move-out of all heavy equipment. The route to be used for the transportation of any mud, rock, oil, pipe, cement, water, or other heavy load shall also be identified. The permittee shall state the following information regarding the maximum load to be transported on each route:
  - 1. Maximum length of vehicle and load;
  - 2. Maximum width of vehicle and load;
  - 3. Maximum weight of the vehicle and load;
  - 4. Maximum weight of the load; and
  - 5. Maximum axle load.
- B. No heavy load may be transported on any City street without first obtaining written permission from the Oil and Gas Inspector. Mud or debris shall not be deposited on City streets. Lease roads shall be paved or graveled, if necessary, to prevent mud being carried onto City streets by any vehicle. The Oil and Gas Inspector may require rerouting of any heavy equipment as may be necessary to protect City roadways from damage. Similarly, axle load limits shall be regulated as may be necessary. It shall be the duty of every permittee to assure that any agents or subcontractors shall conform to routes approved hereunder. Failure of any equipment mover to so abide shall be deemed a violation of this chapter by the permittee.

#### § 20-116. FENCES.

Any person who completes any well as a producer shall have the obligation to enclose the well, together with its surface facilities, by a fence sufficiently high and properly built so as to ordinarily keep persons and animals out of the enclosure with all gates thereto to be kept locked when the permittee or his employees are not within the enclosure. A duplicate set of keys to the lock shall be filed with the Oil and Gas Inspector. The Oil and Gas Inspector may require sight-proof fencing and landscaping be installed around the well site and surface production facilities when such installations are located in developed areas.

#### § 20-117. NOISE AND OTHER NUISANCES.

All oil operations, drilling and production operations shall be conducted in such a manner as to eliminate, as far as practicable, dust, noise, vibration or noxious odors, and shall be in accordance with the best accepted practices incident to exploration for, drilling for and production of oil, gas and other hydrocarbon substances. Proven technological improvements in exploration, drilling and production methods shall be adopted as they become, from time to time, available, if capable of reducing factors of nuisance and annoyance.

## § 20-118. <u>FACILITIES.</u>

All lease equipment shall be painted and maintained in a good state of appearance, and shall have posted at the point the access road intersects the city street and near the well in a prominent place, metal signs no less than two (2) feet square in area upon which the following information shall be conspicuous: permittee's name; lease name; location of the drill site by reference to the United States survey; identifying number of the permit issued by the City, and emergency telephone numbers. Additional signs shall be posted warning of "Danger", "No Smoking", and "Equipment Starts Automatically" when equipment operates under automatic control.

### § 20-119. STORAGE TANKS AND SEPARATORS.

- A. Crude oil storage tanks shall not be constructed, operated or used except to the extent of three (3) steel tanks for crude storage, not exceeding two hundred ten (210) barrels capacity each. One water storage tank not to exceed two hundred ten (210) barrels capacity may be constructed, operated and used. Provided, that additional tankage may be approved by the Oil and Gas Inspector when the applicant or permittee can show that a need for the additional tankage exists. The operator shall provide for the safe handling of vapors which may be released from the tanks. A flame arrestor valve shall be installed on the tank battery vent line. In the event that excessive vapors are being released from the tanks, in the opinion of the Oil and Gas Inspector, the operator shall be required to install a vapor recovery system to prevent the release of the vapors into the atmosphere.
- B. A permittee may use, construct and operate a steel conventional separator and such other steel tanks and appurtenances as are necessary for treating oil with each of such facilities to be so constructed and maintained as to properly control vapors. Each separator or pressure vessel shall be equipped with both a regulation pressure-relief safety valve and a bursting head.
- C. A dike made of properly compacted impervious material shall be constructed around any crude oil or salt water storage tanks or pressure vessels. The dike shall be sized to hold 100 percent of the combined volume of the tanks and vessels which it surrounds with a minimum of six (6") inches additional height of the dike wall. Any vessel heated by gas burners or electric heating coils shall be diked separately from crude storage tanks. The design of the dike, including materials used to construct the dikes and the degree of compaction achieved shall meet the specifications of the Oil and Gas Inspector.
- D. All crude storage tanks and gas separators shall be located so that the top of the dike surrounding the above shall be at least 300 feet from the nearest point on any occupied or unoccupied dwelling or commercial building. All crude storage tanks and gas separators

shall be located so that the top of the dike surrounding the above shall be at least six hundred (600) feet from the nearest point of a religious center, school or public building. The requirement of this subsection shall not apply to tanks in use on the effective date of this chapter. For pressure vessels or crude tanks installed after the effective date of this chapter, the distance separating pressure vessels containing hydrocarbons or crude tanks and residents or commercial buildings shall meet the guidelines of the United States Department of Housing and Urban Development handbook titled "Urban Development Siting with Respect to Hazardous Commercial/Industrial Facilities" (and prepared under contract HC 5232) in regard to protecting buildings and people from blast overpressure and thermal radiation.

#### § 20-120. FIRE PREVENTION.

- A. Adequate fire fighting apparatus and supplies approved by the City Fire Department shall be maintained on the drilling site at all times during drilling and production operations. All machinery, equipment and installations on all drilling sites within the City limits shall conform with such requirements as may from time to time be issued by the Fire Department.
- B. During drilling, workover, or any down-hole operations, the permittee shall provide a minimum of four (4) portable fire extinguishers, the size, rating, distribution and maintenance of which shall be in accordance with National Fire Protection Association (NFPA) Standard #10, entitled "Portable Fire Extinguishes" and NFPA Standard #30, entitled "Flammable Liquids Code".
- C. In areas where flammable vapors may be present, precautions shall be taken to prevent ignition by controlling sources of ignition.
- D. The permittee shall protect all hazardous materials or special hazards at the well site in accordance with applicable NFPA standards.
- E. The permittee shall comply with such other requirements which the Oil and Gas Inspector or the City Fire Department may prescribe for the particular well.
- F. Crude and water storage tanks shall be equipped with lightening protection equipment as required by the Oil and Gas Inspector.

#### § 20-121. PITS.

A. Steel mud or circulating pits shall be used during drilling. During drilling, no earthen pits, either lined or unlined, shall be constructed nor used as a mud circulating pit, mud storage pit, working pit, or settling pit. Steel pits and contents shall be removed from the drilling site within fifteen (15) days after the completion of the drilling phase of the well. Earthen pits may only be used when authorized by the Oil and Gas Inspector as catch basins or sumps to collect drill cuttings and run-off. The Oil and Gas Inspector shall authorize the use of such pits only when the excavated soil is an impervious type of soil such as stiff clay. When the soil excavated is a pervious type such as soil containing a

significant fraction of sand or gravel, steel pits may be buried and used to collect cuttings and run-off. The maximum size of an earthen pit to be used to collect cuttings or run-off shall be ten (10) feet by ten (10) feet by six (6) feet deep. Earthen pits may be used only when authorized in writing by the Oil and Gas Inspector. After the pit is constructed, but before any liquid is placed in the pit, the Oil and Gas Inspector shall be contacted to inspect the type of soil in the sides and bottom of the pit. When the Oil and Gas Inspector determines that the soil is an impervious type, he may approve the pit. No approval for the pit shall be given when the soil at the site is a pervious type.

B. Earthen pits may be constructed in an emergency to prevent or to minimize pollution. When emergency pits are constructed, the Oil and Gas Inspector shall be notified immediately and his instructions shall be followed. Emergency pits shall be emptied and any contaminated soil shall be removed and disposed of before the emergency pit is back filled as soon as the emergency is over. Such pits shall be leveled within fifteen (15) days after completion of the drilling of the well.

#### § 20-122. RETAINING WALLS AND DIVERSION DIKES.

- A. An earthen retaining wall of adequate size for the terrain involved shall be constructed on the low side of the well site in the event the well site is located on sloping or unlevel ground. The top of the retaining wall shall be at least two feet higher than the elevation of the ground at the well bore. The retaining wall shall be constructed prior to the commencement of the drilling of a new well.
- B. When the well site is located on sloping or unlevel ground, an earthen diversion dike or ditch of adequate size for the terrain involved shall be constructed on the high side of the well site. The diversion dike or ditch shall be designed, constructed and maintained to divert run-off waters around the well site.
- C. Depending upon conditions which exist at the site, the Oil and Gas Inspector may waive the requirements of this section for wellsites existing on September 16, 1986.

#### § 20-123. MOTIVE POWER.

Motive power for all well pumping equipment installed after August 17, 2014, shall be electricity, the Oil and Gas Inspector may specify that internal combustion engines may be used. All internal combustion engines shall be equipped with "state of the art" mufflers to minimize noise. (Ord. No. 715, 7/15/14)

#### § 20-124. DERRICK AND RIG.

It is unlawful and an offense for any person to use or operate in connection with the drilling, re-entry or reworking of any well within the City, any wooden derrick or any steam-powered rig, and all engines shall be equipped with adequate mufflers approved by the Oil and Gas Inspector. Permitting any drilling rig or derrick to remain on the premises or drilling site for a period of longer than sixty (60) days after completion or abandonment of a well is hereby prohibited. The Oil and Gas Inspector may grant an extension of time when extenuating circumstances exist.

#### § 20-125. DRILLING OPERATIONS EQUIPMENT.

All drilling, re-entry and operations at any well performed under this chapter shall be conducted in accordance with the best practices of the reasonably prudent operator. All casing, valves blowout preventers, drilling fluid, tubing, bradenhead, Christmas tree, and well head connections shall be of a type and quality consistent with the best practices of such reasonably prudent operator. Setting and cementing casing and running drill stem tests shall be performed in a manner and at a time consistent with the best practices of such reasonably prudent operator. Any permittee under this chapter shall observe and follow the recommendations or regulations of the American Petroleum Institute and the Corporation Commission, except in those instances that are specifically addressed by this chapter. A copy of all logs associated with the surface casing shall be filed with the Oil and Gas Inspector.

#### § 20-126. OPEN HOLE FORMATION TESTING.

- A. All open hole formation testing shall be done during daylight hours, with adequate advance notification thereof made to the Oil and Gas Inspector to enable him to be present if he so chooses.
- B. All open hole formation testing shall be done into steel tanks, or flared properly in the case of gas. All flaring of gas shall require approval by the Oil and Gas Inspector.
- C. The well shall be circulated or reverse circulated prior to commencing to pull drill stem test tools from the hole.

#### § 20-127. MOVING OF DRILLING RIG.

It is unlawful and an offense for any person to move or cause to be moved the drilling rig from a well until the hole has been cased or properly plugged unless written permission to do so is obtained from the Oil and Gas Inspector.

#### § 20-128. STREETS AND ALLEYS.

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 no street or alley shall be blocked or encumbered or closed in any drilling or production operation except with the written approval of the Oil and Gas Inspector, and then only temporarily. The City Engineer shall specify axle tonnage limits for each roadway in the City limits. All vehicles exceeding this tonnage limit will be required to select an alternate route when and if possible. Any resulting street damage will require repair by the permittee or executing of the surety bond to repair the street as soon as the well site is complete or abandoned.

#### § 20-129. FLARING OF GAS.

All produced gas shall either be sold or flared with the flaring procedures being approved by the Oil and Gas Inspector and the Fire Marshall. Flaring shall not be approved unless the State has

issued an Order permitting such flaring.

### § 20-130. FRACTURING AND ACIDIZING.

In the completion, workover or servicing of an oil and gas, injection, disposal or service well, where acidizing or fracturing processes are used, no oil, gas or other deleterious substances or pollutants shall be permitted to pollute any surface or subsurface fresh waters.

#### § 20-131. SWABBING AND BAILING.

In swabbing, bailing or purging a well, all deleterious substances removed from the bore hole shall be placed in appropriate tanks and no substances shall be permitted to pollute any surface or subsurface fresh waters. During swabbing and or bailing operations, the well shall be equipped with the appropriate valves, fittings, blowout preventers, and a lubricator complete with a functional pack-off to permit complete pressure control of the well.

#### § 20-132. RUPTURE IN SURFACE CASING.

In the event a rupture, break or opening occurs in the surface or production casing, the permittee or the operator or drilling contractor shall take immediate action to repair it. The repair procedure shall be submitted to the Oil and Gas Inspector for his approval prior to commencing the repair work. The Oil and Gas Inspector may specify tests to be run to confirm the success of the repair work and extent of contamination. The Oil and Gas Inspector shall be notified so that he may witness the repairs and testing.

#### § 20-133. DEPOSITING OIL PRODUCTS.

No person shall deposit, drain or divert into or upon any public highway, street or alley, drainage ditch, storm drain, sewer, gutter, paving, creek, river, lake or lagoon, any oil or oily liquid with petroleum content or any mud, rotary mud, sand, water or salt water, or in any manner permit by seepage, overflow, deliberate release or otherwise, any of such substances to escape from any property owned, leased or controlled by such person and flow or be carried into or upon any public highway, street or alley, drainage ditch, storm drain, sewer, gutter, paving, creek, river, lake or lagoon, within the City.

#### § 20-134. SAFETY PRECAUTIONS.

Persons drilling, operating or maintaining any well shall use all necessary care and take all precautions which shall be reasonably necessary under the circumstances to protect the public. The provisions of this Chapter shall be deemed to be the minimum requirements for the preservation of the public health, safety and welfare, and compliance with the terms hereof shall not be deemed to relieve any person of any additional duty imposed by law.

#### § 20-135. FORMS FILED WITH THE CORPORATION COMMISSION.

When requested by the Oil and Gas Inspector, copies of all applications, notices, forms, records, logs and the like filed by permittee with the Corporation Commission shall be filed with the City.

The Oil and Gas Inspector shall keep confidential all submitted material which the State requires to be kept confidential.

#### § 20-136. WATER FOR MUDS.

- A. Water to be used in drilling or work-over operations may be brought in by tank trucks, or obtained from the existing City water supply. Surface water from unpolluted ponds or streams may also be used. When a fresh water supply well is drilled, a copy of a permit for the well from the State Water Resources Board shall be submitted to the Oil and Gas Inspector as part of the permit application. The applicant shall also state the disposition of the fresh water supply well upon the completion of the drilling of the oil well. A fresh water well shall not be drilled closer than three hundred (300) feet to the oil well. A fresh water well may not be drilled deeper than two hundred (200) feet above the base of the fresh water aquifer. The Oil and Gas Inspector shall determine the base of the fresh water aquifer.
- B. When any fresh water well is drilled as a source of drill water, the applicant shall state the disposition of the fresh water well. When ownership of the water well is to be transferred to the land owner, a written statement from the land owner accepting responsibility of the well shall be submitted to the City. When any such water well is plugged; it shall be plugged in accordance with the rules of the State Water Resources Board. Only drilling contractors licensed by the State Water Resources Board shall drill fresh water wells to be used as a source of drill water.

#### § 20-137. OIL AND GAS INSPECTOR.

- A. The City Manager shall employ or retain a qualified person, firm or corporation as an Oil and Gas Inspector, whose duty it shall be to enforce the provisions of this Chapter.
- B. The Oil and Gas Inspector shall have the authority to issue such orders or directives as are required to carry out the intent and purpose of this Chapter and its particular provisions. Failure to abide by any such order or directive shall be a violation of this Chapter.
- C. The Oil and Gas Inspector shall have the authority to go upon and inspect any premises covered by the terms of this Chapter to ascertain the compliance with this Chapter and the applicable laws, rules, regulations, standards or directives of the State are being complied with. Failure to permit access to the Oil and Gas Inspector shall be deemed a violation of this Chapter.
- D. The Oil and Gas Inspector shall have the authority to request and receive from any permittee, contractor, or subcontractor, any records, logs, reports and the like relating to the status or condition of any well or project or the appurtenances there within the City. Such material shall remain confidential where such confidentiality is usually granted by the State. Material considered confidential by the State shall be submitted to the Oil and Gas Inspector in a sealed envelope and shall be opened only in the presence of the operator. Failure to provide any such requested material shall be deemed a violation of

this Chapter.

#### § 20-138. SERVICE COMPANIES.

Upon request of the Oil and Gas Inspector, service companies or other persons shall furnish and file reports showing perforating, hydraulic fracturing, cementing, shooting, chemical treatment and all other service operations on any site covered by this Chapter. Such furnished material shall remain confidential where such confidentiality is usually granted by the State. Failure to provide any such requested material shall be deemed a violation of this Chapter.

#### § 20-139. ACCUMULATION OF VAPOR.

The Oil and Gas Inspector shall have the authority to require the immediate shutting in or closing of any well if he finds that there exists, within a one hundred (100) foot radius of any well, any gas or gasoline vapor in a quantity sufficient to constitute, in his judgment, or in the judgment of the City Fire Marshal, a fire hazard. The well shall remain shut or closed in until the hazard and its cause are removed.

#### § 20-140. PIPELINES.

- A. No permittee shall make any excavations or construct any pipelines for the conveyance of fuel, water or minerals, on, under or through the City without first having obtained a revocable permit therefor upon application to the City.
- B. The Oil and Gas Inspector shall prescribe the forms to be used for such application and the information to accompany it and prescribe the appropriate publication notice requirements. Such information shall include the plans, specifications and maps submitted to the state.
- C. Each application for a permit under this Section shall be accompanied by a non-refundable filing fee as set by the City Council.
- D. The Oil and Gas Inspector shall, within thirty (30) business days of receipt of the properly executed application, either grant or deny the request.
- E. Any successful permittee under this Chapter shall pay to the City an annual renewal and inspection fee as set by the City Council.
- F. The Oil and Gas Inspector shall inspect all pressure lines in use at any well or at any project to assure that tubing, fittings, equipment or connections are reasonably tight, safe and free from leaks; and have a minimum of four (4) feet ground cover.
- G. The granting of any such permit shall not be construed to be the granting of a franchise, nor does the provisions hereof mandate City approval of any request for a permit.
- H. No permit or annual fee shall be required for pipelines associated with oil and gas operations limited to the boundaries of the lease.

#### § 20-141. INGRESS AND EGRESS.

Lease roads shall be maintained in such manner as to safely and comfortably allow for ingress and egress of City or State personnel traveling in a common passenger motor vehicle. Upon completion of a new well, the lease road shall be covered with a layer of gravel.

#### § 20-142. ORDER TO CEASE OPERATIONS.

- A. If the Oil and Gas Inspector finds that, in his judgment, a hazard to life or natural resources exists, he shall order immediate rectification of the cause. If the permittee takes no immediate measure to reduce the hazard, or if the situation be so perilous as to constitute an imminent threat to safety, then in either of these events he may order the prompt cessation of activity, and if necessary, the clearance of the premises.
- B. The Oil and Gas Inspector shall apply to the City Manager for a hearing upon such order, which hearing shall be held not longer than twenty-four (24) hours after the issuance of the order by the Oil and Gas Inspector. The City Manager shall determine if proper cause existed, and, if not, shall order the permittee's activity to resume without delay. If the City Manager determines that proper cause did exist for the order to cease activity to be issued, then he shall make whatever ruling is proper to assure rectification of the cause of the peril. Such ruling and compliance with it by the permittee shall not be construed to absolve the permittee of any liability for any violation of this Chapter or for any damage or injury caused thereby.

#### § 20-143. APPEALS.

Any permittee aggrieved by any order, directive or ruling issued by the Oil and Gas Inspector, or by any ruling by the City Manager may appeal the same to the Board of Adjustments which shall hear the matter at its next scheduled meeting. The lodging of such appeal shall not stay the enforcement of any of the provisions of this Chapter. The Board of Adjustments, upon hearing the matter, may issue whatever ruling or order is appropriate, provided that such ruling or order may be in keeping with the spirit and purpose of this Chapter. (Ord. No. 715, 7/15/14)

## § 20-144. BOARD OF ADJUSTMENTS REVIEW OF PERMIT RECOMMENDATIONS.

Upon the consideration of any application for a permit required by the terms of this chapter, the Oil and Gas Inspector shall recommend approval or disapproval thereof to the Board of Adjustments, who shall review the matter at a regularly-scheduled meeting, and thereupon uphold or reverse the recommendation with or without the addition of any conditions thereto. (Ord. No. 715, 7/15/14)

#### § 20-145. CONDUITS ON STREETS AND ALLEYS.

A. No permittee shall make any excavations or construct any lines for the conveyance of fuel, water or minerals, on, under or through the streets and alleys of the City without first having obtained a revocable permit therefor upon application to the City.

- B. The Oil and Gas Inspector shall prescribe the forms to be used for such application and the information to accompany it and prescribe the appropriate publication notice requirements.
- C. Each application for a permit under this Section shall be accompanied by a non-refundable filing fee as set by the City Council.
- D. The Oil and Gas Inspector shall, within thirty (30) business days of receipt of the properly executed application, either grant or deny the request.
- E. The granting of any such permit shall not be construed to be the granting of a franchise, nor does the provisions hereof mandate City approval of any request for a permit.

#### § 20-146 ANNUAL FEE FOR CONDUITS.

- A. The permittee under § 20-145 of this Chapter shall pay to the City an annual renewal and inspection fee as set by the City Council.
- B. The Oil and Gas Inspector may inspect such conduits to assure the public safety. No permit issued under this chapter shall be renewed if the conduit or any part thereof covered by such permit is in an unsafe condition.

#### § 20-147. APPLICABILITY TO EXISTING CONDITIONS.

This chapter shall apply to any person drilling an original well, re-entering an abandoned well or temporarily abandoned well, conducting natural or artificial production projects or operations, or maintaining a disposal well within the city on September 16, 1986, and every such person shall have no longer than ninety (90) days to come into compliance with this chapter. Provided that:

- A. No initial permit fees shall be charged such person as would otherwise apply; and
- B. No penalties shall be sought against any activity violative of this chapter where such activity pre-existed the adoption of this chapter and was otherwise in compliance with the applicable state law, rules, regulations, standards or directives provided the operation is brought into compliance within ninety (90) days after September 16, 1986.

#### § 20-148. PENALTIES.

It is unlawful and an offense for any person to violate or neglect to comply with any provisions hereof irrespective of whether or not the verbiage of each section hereof contains the specific language that such violation or neglect is unlawful and is an offense. Any person who shall violate any of the provisions of this Chapter, or any of the provisions of a drilling and operating permit issued pursuant hereto, or any condition of the bond filed by the permittee pursuant to this Chapter, or who shall neglect to comply with the terms hereof, shall be punished as provided in § 1-108 of this code, and the violation of each separate provision of this Chapter, and of the permit, insurance and of the bond, shall be considered a separate offense, and each day's

violation of each separate provision thereof shall be considered a separate offense. In addition to the foregoing penalties, it is further provided that the City Council at any regular or special sessions or meeting thereof, may, provided ten (10) days notice has been given to the permittee that revocation is to be considered at such meeting, revoke or suspend any permit issued under this Chapter and under which drilling or producing operations are being conducted in the event the permittee thereof has violated any provision of the permit, the bond, of this Chapter. In the event the permit be revoked, the permittee may make application to the Oil and Gas Inspector for re-issuance of such permit, and the action of the City thereon shall be final. Any continuing offense shall be considered a public nuisance, the remedies for which under law shall be in addition to those herein before enumerated.

#### § 20-149. TEMPORARILY ABANDONED WELLS.

When the State Corporation Commission has granted temporary abandonment status for a well, and the well has been actively produced after January 1, 1984, the permittee may apply to the Oil and Gas Inspector for temporary abandonment status. Temporary abandonment status shall be granted for a maximum of two years except when an extension is granted by the City Council. The temporary abandonment status shall be granted provided the requirements placed upon the well by the Oil and Gas Inspector are met. These requirements shall include but not be limited to the following:

- A. For enhanced recovery or disposal wells, a cast iron bridge plug shall be placed above but within one hundred (100) feet of the perforated interval and a minimum of twenty (20) feet of cement shall be placed on the cast iron bridge plug. The casing shall be pressure tested to a pressure approved by the Oil and Gas Inspector. Pressure testing shall be repeated annually. The production casing and each annulus of the well shall be equipped with fittings to permit the pressure on each string of casing to be measured using a gauge having a one-forth (1/4) inch fitting;
- B. Producing wells shall have fittings and valves installed to permit the pressure on tubing and each string of casing to be measured using a gauge having a one-fourth (1/4) inch fitting:
  - 1. Fluid level test shall be performed on each well in this classification at intervals not to exceed six (6) months, and the pressure shall be checked on the tubing and each casing string at least every six (6) months. These tests shall be witnessed by the Oil and Gas Inspector.
  - 2. If the fluid level in the production casing when no tubing is installed in the well is found to be less than two thousand (2,000) feet from ground level then the same requirements specified in paragraph 1 above shall be applied;
  - 3. If the fluid level in both the tubing and the tubing-casing annulus when tubing and packer are installed in the well is found to be less than two thousand (2,000) feet from the surface, then the requirements shall be the same as in paragraph 1 above; and

- 4. If pressure in excess of fifty (50) PSI is found on the production casing or when other evidence of a leak exists, the requirements shall be as in paragraph 1 above.
- C. If pressure in excess of fifty (50) PSI is found on the surface casing of any well or when other evidence of a leak exists, additional tests shall be performed to determine if a casing leak or channel flow outside the casing exists. When the Oil and Gas Inspector determines that a leak exists, appropriate repair work or remedial cementing shall be performed by the permittee or applicant to correct the problem. All repair procedures shall be approved by the Oil and Gas Inspector. The Oil and Gas Inspector shall be notified so that he may witness the repair work and test to confirm the success of such repair work;
- D. The requirements for annual fees, insurance and bonds for temporarily abandoned wells shall be the same as for active wells; and
- E. All testing required by this ordinance shall be performed at the permittee's expense.

## § 20-150. TRANSFER OF OWNERSHIP.

- A. When a permittee desires to transfer ownership of a well to another operator, he shall notify the Oil and Gas Inspector in writing. Transfer of the permit will be granted only when the subject well is in full compliance with the requirements of this ordinance. A fee shall be paid by the applicant for a transfer of permit. The City shall inspect each well sought to be transferred as soon as may be practicable after filing of any application for transfer of ownership.
- B. No permittee shall be released from the obligations imposed by this ordinance until such time as the transfer is approved by the City, conditioned upon acceptance of all necessary bonds and insurance, to assure coverage of existing conditions.

#### § 20-151. BLOWOUT PREVENTION EQUIPMENT.

Blowout prevention equipment (BOPE) shall be installed and used on all wells during drilling, running casing, down-hole work-over operations, logging, open-hole formation testing and the pulling of casing during plugging operations.

- A. During drilling, a minimum of three (3) hydraulically operated blowout preventers which meet the American Petroleum Institute Recommended Practices RP # 53 recommendations for Class 3M shall be installed on the well. One blowout preventer shall be a spherical annular type, one shall be a ram type equipped with pipe rams to fit the drill pipe in use, and the third shall be a ram type equipped with blind rams. A hydraulic operating unit which meets the recommendations of the American Petroleum Institute (API) Recommended Practices RP # 53 shall be installed to operate the blowout preventers:
  - 1. A choke line, kill line, and choke manifold which meet the blowout prevention equipment recommendations of API RP # 53 for Class 3M shall be connected to

the BOPE during drilling operations;

- 2. The BOPE shall be installed prior to drilling below the surface casing. BOP equipment shall be function tested and pressure tested in accordance with the recommendations of the Oil and Gas Inspector after installation and prior to drilling below the surface casing; or
- 3. The Oil and Gas Inspector may specify more stringent requirements for BOPE when, in his opinion, conditions warrant the additional requirements;
- B. During work-over operations and tubing changes, the minimum BOPE acceptable shall be two (2) ram type BOP. One BOP shall be a ram type equipped with rams to fit the tubing, and the other BOP shall be a ram type equipped with blind rams;
- C. When casing is being pulled from a well, the well shall be equipped with ram type BOPE containing rams to fit the casing; or
- D. For operations other than the ones contained hereinunder, the Oil and Gas Inspector shall determine the type of BOP equipment which shall be required.

#### § 20-152. FLOOD ELEVATIONS AND POLLUTION PREVENTION.

- A. When well locations fall in an area that is within the one hundred (100) year flood elevation as defined by the Federal Insurance Rate Map (FIRM) or as determined by the City Engineer. The ground level of the drilling and production pad shall be constructed to an elevation at least one foot above the one hundred (100) year flood elevation as defined by the FIRM. When the proposed site is not covered by the FIRM, the City Engineer shall determine the elevation of the one hundred (100) year flood elevation.
- B. No wells, tanks, vessels, or structures may be located in the floodway as defined by the FIRM. The floodway shall be defined by the City Engineer when the FIRM does not cover the proposed site. No facilities may be constructed which will cause adverse flooding affecting existing structures or roadways. Any dike or levee permitted to be in the one hundred (100) year flood elevation shall have an elevation at least two (2) feet above the elevation of the one hundred (100) year flood plain.
- C. Storage tanks or other types of tanks used in connection with any oil, gas, or injection well shall have earthen embankments constructed as required in § 20-119.
- D. A slope of not less than one percent (1%) away from the tank shall be provided for a minimum of fifty (50) feet or to the dike base, whichever is less. The requirements of this subsection shall not apply to wells or facilities in use on September 16, 1986.
- E. The floor and walls of the diked area shall be constructed of impervious earth. The floor of the diked area shall be covered with a compacted layer of stiff clay having a minimum thickness of twelve (12) inches except when the native soil present is stiff clay. The floor of the diked area shall be constructed prior to the installation of tanks or vessels. The

requirement for the floor of the diked area shall not apply to installations constructed prior to September 16, 1986. The walls of the diked area shall be constructed of adequately compacted impervious earth such as stiff clay and shall be covered with rock or other material to prevent erosion. The top of the dike shall have a flat section not less than two (2) feet wide, and the slope of the dike shall be consistent with the angle of repose of the material used to construct the dike, as determined by the Oil and Gas Inspector. The requirements of this subsection shall not apply to wells or facilities in use on the effective date of this ordinance.

- F. No drain plugs, openings or siphons shall be placed in the walls of dikes, which will permit the escape of any liquids through the dike. All pipe lines or cables running to the installation shall be routed above the dike or under the dike with a minimum of two (2) feet of earthen cover.
- G. Storage tank areas shall be kept free of all liquids, combustible materials, brush, weeds and debris and shall be inspected by the Oil and Gas Inspector every six (6) months.
- H. Site proof fencing shall be placed around the diked area, but fences shall not be placed on top of the dike when the dike is constructed of earth.

#### § 20-153. INFORMAL COMPLAINTS.

If upon information or inspection, it is found that a permittee is violating any portion of this Chapter or causing damage or pollution to any surface or underground treatable water, the Oil and Gas Inspector shall file a written administrative complaint with the City Manager, a copy of which shall be delivered or mailed to the permittee or his agent. If upon subsequent inspection, it is determined that the permittee has taken the corrective actions specified, the complaint may be dismissed; otherwise, formal application will be made to the City Council for an order revoking the permit, and for any other appropriate remedy; pending the outcome of the final determination of the City Council on the formal application, the Oil and Gas Inspector shall, after an on site inspection, have the authority to shut down those operations where conditions appear obvious that surface or underground pollution is occurring. It is the intent of this Section to supplement the penalty provisions of this chapter and shall be construed so as not to conflict therewith.

#### § 20-154. PUBLIC NOTICE REQUIRED FOR PERMITS.

- A. Public notice is required for a permit to drill an original well, re-enter a previously abandoned well, convert a well to enhanced recovery service, install a natural gas compressor or to install an oil, gas, or saltwater pipeline in an parallel to a public right-of-way. The public notice shall be the responsibility of the applicant.
- B. The applicant shall arrange for a public notice to be published in a newspaper of general circulation in the city at least ten (10) days but not more than forty-five (45) days prior to Board of Adjustments action on a permit application as described in this section. The notice shall include the type of permit being applied for, the legal location of the proposed site, the name and address of the applicant, and the name and address of the

- operator, if different. The notice shall also state the date, time, and place of Board of Adjustments consideration of the permit application.
- C. The applicant shall place a minimum of two (2) signs displaying the same information required in the public notice at major intersections in the vicinity of the proposed site. The oil and gas engineer shall select the specific sites for installation of the signs. Each sign shall have minimum dimensions of four (4') foot by four (4') foot, and the design of the sign shall be subject to the approval of the Oil and Gas Engineer. The signs shall be erected a minimum of fourteen (14) days prior to council consideration of the permit application. (Ord. No. 715, 7/15/14)

# § 20-155. PERMIT AND ANNUAL FEE REQUIRED FOR NATURAL GAS COMPRESSOR.

- A. A permit is required to install a natural gas compressor in the city. A permit fee as set by the city council shall be submitted with the application. Two (2) original copies of the permit application shall be submitted on a form or forms provided by the oil and gas engineer. The application shall include a plat showing the proposed compressor site and all structures, buildings, roads, streets, highways, pipelines, and electrical utility lines within one thousand three hundred twenty (1,320) feet of the proposed compressor site.
- B. A natural gas compressor shall be located no closer than six hundred (600) feet of a habitable building, school, public building, religious building, or business.
- C. Every gas compressor shall be equipped with a state-of-the-art noise reducing muffler and every natural gas compressor located within one thousand three hundred twenty (1,320) feet of a habitable building, school, public building, religious building or business shall be surrounded by an insulated building or insulated structure designed to minimize noise. The application shall include a detailed designed of the noise abatement measures to be utilized at the compressor site. The design of the noise abatement measures shall be subject to the approval of the oil and gas engineer. Provided that the insulated building or insulated structure is not required when the compressor is installed, it shall be required when development occurs within one thousand three hundred twenty (1,320) feet of the site.
- D. A protective dike shall be constructed around every natural gas compressor installed in the city. The design of the dike shall be subject to the approval of the oil and gas engineer.
- E. Every natural gas compressor shall be surrounded by a security fence. The requirements for the fence shall be consistent with the requirements of § 20-116.
- F. The operator of any compressor installed in the city prior to the effective date of this chapter shall have ten (10) days to comply with the requirements of subsections C, D, and E of this section.
- G. Regardless of separation distances, provided that the noise level emanating from the

compressor becomes excessive for any reason in the opinion of the Oil and Gas Engineer, the operator shall, upon notice, cease operation of the compressor until the noise problem is corrected.

- H. An annual inspection fee is hereby levied upon each natural gas compressor operated or maintained in the city after the effective date of this chapter:
  - 1. Such fee as set by the city council, payable to the city on or before the annual anniversary date of the issuance of any permit under this chapter. When a natural gas compressor was installed prior to the effective date of this chapter, the fee shall be payable to the city on or before the annual anniversary date of this chapter; and
  - 2. No permit for any natural gas compressor shall be considered valid for any year for which the annual fee has not been paid. Failure to pay any required permit fee within thirty (30) days of a delinquent notice sent to the latest address provided by the permittee will result in cancellation of the permit.

#### § 20-156. DRAINAGE.

The permittee of any oil and gas facility shall comply with the city's drainage ordinances and policies.

# EXHIBIT A

(A)	Conductor Casing
(1)	Hole diameter, in
(2)	Length of casing, ft
(3)	Diameter of casing (O.D>), in
(4)	Weight of casing (#/FT)
(5)	Grade of the casing
(6)	Cementing details.
(B)	Surface Casing
(1)	Hole diameter, in
(2)	Depth of hole, ft
(3)	Length of casing, ft
(4)	Diameter of casing (O.D.), in
(5)	Weight of casing, (#/ft)
(6)	API grade of casing
(7)	New or used casing?
(8)	Quantity and type of cement (Include additives.).
(9) degree	Setting time for cement to reach a compressive strength of 500 PSI at a temperature of 70 s F
(10)	Proposed waiting time after cementing surface casing and before drilling ahead, hours.

(11)	Guide shoe to be used (YES/NO)?
(12)	Centralizers: Number and location.
(13)	Casing head: Type or model, and pressure rating.
(14)	Bond log to be run on surface casing (YES/NO).
[C]	Production Casing (and any other casing strings):
(1)	Hole diameter, in.
(2)	Depth of hole, ft.
(3)	Length of casing, ft.
(4)	Diameter of casing (O.D.), in.
(5)	Weight (#/ft).
(6)	API grade of casing.
(7)	New or used casing.
(8)	Quantity and type of cement (include additives).
(9)	Estimated top of cement.