

ORDINANCE NO. 111

**A NEW ORDINANCE AMMENDING PREVIOUS ORDINANCE #71
ESTABLISHED IN 1984, CONTROLLING AND REGULATING THE
DRILLING EXPLORATION AND OPERATION FOR OIL AND GAS
WITHIN THE CITY LIMITS OF PETROLIA, TEXAS**

BE IT ORDAINED by the City Council of the City of Petrolia, that:
Ordinance Number 111 of the City of Petrolia, shall read as follows:

Section 1: Definitions

For the purpose of this ordinance, the following words and phrases shall have the meaning respectively ascribed to them by this section:

(1) “Well” shall mean any gas, oil, or injection well and shall include not only new wells, but deepening any presently existing well to another zone, and/or the reopening of any well previously plugged in accordance with Railroad Commission regulations.

(2) “City” shall mean the City of Petrolia, Texas,

(3) “City Secretary” shall mean the City Secretary or, in the absence of the City Secretary, the Mayor of the City of Petrolia, Texas.

(4) “Council” shall mean the Board of City Council of the city of Petrolia, Texas,

Section 2: Permit to Drill Required

Before any well may be drilled within the corporate limits of the City, an application for a permit must be obtained from the Council before drilling operations begin, and said permit is nontransferable.

Section 3: Area of Compliances

All wells existing within the corporate limits of the City, as of the day of the adoption of this amendment, are covered immediately by this

ordinance. All wells brought within the corporate limits by the City of future annexation of territory to the City shall be covered by this ordinance immediately upon said annexation.

Section 4: Application Contents

The application for the permit, required by this ordinance shall set forth the following information:

- (1) A copy of the drilling application and a copy of the permit which has been issued by the Railroad Commission.
- (2) The name and address of the operation of the lease.
- (3) A description of the lease of lands involved in the drilling unit.
- (4) A plat showing the location of the well, the ownership of the land, and off set operators.
- (5) Satisfactory evidence of liability and property damage insurance as required by this chapter.
- (6) Maximum drilling depth proposed.
- (7) Method of operation of the proposed well (injection of production).
- (8) A plat indication all the surface rights property owners adjacent to the proposed well.
- (9) Exact drilling point shall be staked by applicant prior to inspection by the City Secretary.

Section 5: Fee

The fee for a permit required by this chapter shall be in the sum of Two hundred dollars to be submitted with the application. If drilling has not commenced within one year from then date of the permit,

another permit will be required under terms of this section.

Section 6: Bond

A surety bond shall be filed with the City in the amount of \$25,000.00, along with the permit application for the initial well applied for by an operator after publication of this ordinance. If an operator has a \$25,000.00 bond on file, additional bond is not needed for subsequent wells. This bond will be in effect as long as this operator operates wells inside the City. This bond shall be in favor of the City and all persons concerned, conditioned that the permittee will comply with the terms, conditions, and requirements of this ordinance.

Section 7: Insurance

In addition to the bond required in Section 6 above, the permittee shall carry a policy of policies of standard comprehensive public liability insurance, including contractual liability covering bodily injuries and property damage, naming the permittee and the City, and an insurance company authorized to do business within the State of Texas. Such a policy of policies in the aggregate shall provide for the following minimum coverages:

(1) Bodily injuries, One Hundred Thousand and no/100 Dollars (100,000.00) per person; Three Hundred Thousand and no/100 (300,000.00) one accident.

(2) Property damage; One Hundred Thousand and no/100 Dollars (100,000.00).

Permittee shall file with the City Secretary along with the application, a certificate of insurance as above stated. The insurance policy of policies shall not be cancelled without written notice to the City Secretary at least ten days (10) prior to the effective date of such cancellation. In the event such insurance policy or policies are cancelled, the permit granted under such policy shall cease until permittee files additional insurance as provided herein.

Section 8: Refusal of Permit

No permit shall be issued by the Council to drill any well when:

(1) The location for same shall be within the dedicated right-of-way of any streets or alleys of the City.

(2) The location for same shall be within a 200 foot radius of any residence, commercial or public structure, unless application contains a signed, notarized release from the property owner within such 200 foot radius.

Section 9: Permit hearing

The City Secretary shall notify in writing the surface rights property owners adjacent to the proposed drilling site and location of said well not less then (5) or more than (15) fifteen days prior to a hearing on the permit application. Hearing will be held before the City Secretary; at the conclusion of said hearing and after making such investigation as she may deem proper or necessary under the circumstances, the City Secretary shall then make her recommendation to the City Council not more than five (5) days after said hearing has been completed; either recommending the issuance of such permit, or recommending the denial thereof. Such recommendation shall be in writing and attached thereto the reasons for the same including any instruments or documents submitted to him at such hearing.

Section 10: Hearing before City Council

(1) After receipt of the recommendation made by the City Secretary, the City Council shall then schedule a hearing thereon, at the next regular meeting of the City Council prior to the final hearing.

(2) The decision of the City Council shall be final and in making its decision it shall, in addition to order considerations, have the power and authority refuse any permit to drill any well at any particular location within the City, where by reason of such particular location and the character and value of the permanent improvements already erected on or adjacent to the particular location in questions for school, hospital, park civic purposes, health reasons, safety reasons,

or any of them where the drilling of such wells on such particular location might be injurious or be a disadvantage to the city or it's inhabitants as a whole or to a substantial number of it's inhabitants or would not promote orderly growth and development to the City.

Section 11: **Issuance of Permit**

Any permit granted by the City Council shall be issued by directive of the City Council and signed by the City Secretary of a form provided by the City.

Section 12: **Location and fencing of tank batteries**

In the event production is obtained, and the oil storage tank battery is located within the city limits, the same shall be erected within the confines of an earthen or concrete wall designed in such a manner that the area inside the retention wall would retain the total volume of the tanks located therein and the same shall be completely enclosed by a suitable all metal wire fence or sufficiently strong and close mesh construction that it will not be penetrable by domestic animal or small children.

Any gate or gates installed for the use of ingress or egress shall be kept locked when not in use. In no event shall such battery be located nearer than 150 foot radius from any residence, commercial structure or public building, unless application contains a signed notarized release from the property owners within such 150 foot radius. All lines on lease shall be buried a minimum of one(1) foot.

Section 13: **Pumps th be Electrically Powered**

No pumping unit used for the purpose of lifting oil shall be powered with any power other than electricity.

Section 14: **Maintenance and Fencing of Well Jacks**

Any well jacks or units operating within the corporate limits of the city shall be kept clean, painted, in good repair and properly lubricated in order that they will operate quietly and they shall be

enclosed by an all metal fence of a height of not less than six (6) feet in height and of a type suitable to prevent trespassing on the part of any unauthorized party, particularly children and domestic animals . A lock shall be installed on each gate and shall be locked except during work over.

Section 15: **Maintenance and repair on streets.**

In the case of any damage or disrepair to any City streets or approaches involved in said endeavor will be solely at the expense of the permittee . Any tin horns or materials of said endeavor will also be incurred solely at the expense of the drilling contractor.

Section 16: **Muffling of combustion engines.**

All internal combustion engines shall be muffled during any operation in the City of Petrolia.

Section 17: **Drilling Operation Generally.**

In the event that any permit is granted to drill or explore for oil or gas within such corporate limits, the drilling contractor shall proceed with the drilling operations with the highest degree of care so as not to injure adjoining property or persons in any manner and shall keep the premises suitably fenced or under constant surveillance and supervision twenty four (24) hours a day in such manner as to avoid trespassing on the part of any one during the drilling and exploratory operations, particularly children. Upon the completion of such drilling operations, all drilling med shall immediately cleared of all drilling mud and/or all oil, salt water or water, and shall be made to conform in appearance to the lands in the neighborhood wherein such drilling operations ore so conducted.

Section 18: It shall be unlawful and an offense for any person to violate or fail to comply with any provision hereof, irrespective of whether or not the verbiage of each section hereof, contains the specific language that such violation of such failure to comply, is unlawful and is an offense. Any person who shall violate any of the provisions of this ordinance or any of the provisions of a permit issued pursuant hereto,

or who shall fail to comply with the terms hereof, shall be guilty of a misdemeanor and shall on conviction thereof, shall be fined in the sum of not less than Five (\$25.00) and not more than Two Hundred and no/100 (\$200.00) and the violation of each separate provision thereof shall be considered a separate offense. Each days continuance of a failure to comply therewith shall constitute a separate and distinct off for each of said days.

Section 19: **Cumulative of Similar ordinances and Repeal of Inconsistent Ordinance:**

The provisions of this Ordinance are cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however that all prior ordinances or parts of ordinances inconsistent with any of the provisions of this ordinance are hereby expressly repealed to the extent of such inconsistency or conflict.

Section 20: **Invalidity of Any Part of this Ordinance**

If any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not effect the validity of the remaining portions of this ordinance. The City Council of the City of Petrolia, Texas, hereby declare that it would have passed this ordinance and each section, subsection , sentence, clause or phrase thereof irrespective of a fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional or invalid.

Section 21: **Enforcement**

This chapter may be enforced by injunction, cancellation of the permit of the operator to continue drilling, or in ny other legl manner in a court of competent jurisdiction.

Section 22: **Emergency**

The fact that there is an imminent possibility of increased drilling

activity for oil and/or gas within the City Limits of the City of Petrolia, Texas, and that it is probable that the same will continue, and the fact that the present regulations governing the drilling and maintenance of oil and gas wells in the corporate limits of the City of Petrolia, Texas, are inadequate, creates an urgency and emergency for the immediate preservation of the public peace, health, safety and general welfare, and requires that this ordinance shall take effect from and after its passage and publication.

PASSED AND APPROVED THIS 5th DAY OF JUNE, 2007.


CINDY ARMOUR, MAYOR

ATTEST:


ANGELA DANIELS, CITY SECRETARY