

THE VILLAGE CITY CODE

CHAPTER 16

OIL AND GAS WELLS

*State law reference--regulation and inspection of wells, 52 O.S. 291 et seq.

Sec. 16-1. Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. All technical or oil and gas industry words and phrases used herein and not specifically defined herein shall have that meaning customarily attributable thereto by prudent operators in the oil and gas industry.

Abandoned well means:

- (1) Each well in which no production casing has been run, and for which drilling or testing operations have ceased for thirty (30) consecutive days; or
- (2) Any other well for which there is no current city permit.

Artificial production means the raising to the surface of the earth, by means other than natural flow, petroleum or natural gas.

Corporation Commission means the Oklahoma Corporation Commission.

Deleterious substance means 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.

Enhanced recovery means an operation by which fluid or energy is introduced into a source of supply for the purpose of facilitation of recovery there from.

Natural production means the raising to the surface of the earth, by natural flow, petroleum or natural gas.

Oil and gas inspector means that person qualified and employed by the city to enforce the provisions of this article, or his authorized representatives.

Pollution means 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

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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.

Pressure maintenance means an operation by which gas, water or other fluids are injected into a supply of oil to maintain pressure or retard pressure decline therein for the purpose of facilitating recovery there from, and which has been approved by the corporation commission after notice and hearing.

Salt water means any water containing more than five hundred (500) milligrams per liter of chlorides.

Treatable water means 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) total dissolved solids and/or five thousand (5,000) parts per million chlorides.

Water, waters of the city or city water means 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.

Well means any hole or holes, bore or bores, to any depth for the purpose of producing and recovering any oil, gas, or liquefied petroleum matter or deleterious substances, or for the injection or disposal of any of the foregoing.

(Ord. No. 296, 4, 2-2-82)

Sec. 16-2. Scope.

(a) This chapter shall apply to any person drilling an original well, re-entering an abandoned well, conducting natural or artificial production projects or operations, or drilling or maintaining a disposal well within the City of The Village on or after February 2, 1982.

(b) This chapter shall not apply to any such activity, which existed before February 2, 1982 and was otherwise in compliance with the applicable state laws, rules, regulations, standards, directives, or ordinances of the city. However, when the annual permits for pre-existing activities come due for renewal, then any person reworking an existing well, re-entering an abandoned well, conducting natural or artificial production projects or operations or drilling or maintaining a disposal well within the city shall come into compliance with this chapter.

(Ord. No. 296, 44, 2-2-82)

Sec. 16-3. Oil and gas inspector.

- (a) The city manager shall employ a qualified person 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 unlawful.
- (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 whether 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 unlawful.
- (d) The oil and gas inspector shall have the authority to request and receive any records, specified in this chapter relating to the status or condition of any well or project or the appurtenances thereof within the city. Failure to provide any such requested material shall be unlawful.

(Ord. No. 296, 34, 2-2-82)

Sec. 16-4. Violations.

It shall be unlawful and an offense for any person to violate or neglect to comply with any provision of this chapter. Any person who shall violate any of the provisions of this chapter, or any of the provisions of a drilling 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 shall be guilty of a Class A offense. In addition, the city manager at any regular or special session or meeting of the city council, 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 permit, said bond, or of this chapter. In the event the permit is 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 hereinbefore enumerated.

(Ord. No. 296, 46, 2-2-82)

Sec. 16-5. Order to cease operations.

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 said order by the oil and gas inspector. The city manager shall determine if proper cause existed, and, if not, shall permit the permittee's activity to resume without delay. If the city manager determines that proper cause did not exist for the order to cease activity to issue, then he shall make whatever ruling is proper to assure rectification of the cause of the peril.

(Ord. No. 296, 39, 2-2-82; Ord. No. 494, 1, 10-19-93)

Sec. 16-6. 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 city council 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.

(Ord. No. 296, 40, 2-2-82)

Sec. 16-7. City manager 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 city manager, who shall review the matter and thereupon uphold or reverse the recommendation with or without the addition of any conditions thereto.

(Ord. No. 296, 41, 2-2-82)

Sec. 16-8. 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.

(Ord. No. 296, 45, 2-2-82)

Sec. 16-9. Permit.

(1) It shall be unlawful and an offense for any person acting for himself or acting as agent, servant, employee, subcontractor or independent contractor of any other person, to drill a well within this city, without a permit having first been issued by the authority of the oil and gas inspector in accordance with this chapter.

(2) Every application for a permit to drill an original well or to re-enter an abandoned well 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 resolution.

(3) 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:

(a) Name and address of applicant and date of application;

(b) Where applying for a proposed original well:

1. A block map of the three hundred (300) feet surrounding the drill site, including thereon the location of the proposed well, and distances therefore to all existing dwellings, buildings or other structures designed for human occupancy;
2. The names of the mineral, surface and lease owners;

(c) A drilling prognosis, to specify in detail the amount weight, and size of conductor pipe and surface pipe and the procedures to be used in the event production is not established shall also be specified,

(d) A statement of the provisions for water for the drilling rig;

(e) A written plan for disposal of deleterious substances produced during the drilling operations and any deleterious substances produced as a result of production from the well. This plan shall include the method of transportation and name of transporter or transport contractor for the deleterious substances and the name and location of the permitted disposal site, including a copy of the permit for the disposal site for the disposal of said deleterious substances, or in the alternative, provide proof of ownership of the permitted disposal site. The permittee shall provide monthly

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reports to the city of the amount of salt water and other deleterious substances produced, along with receipts for disposal of same,

(f) The name and address of the person within the state upon whom service of process upon applicant may be made within this state, and in the case of any nonresident 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 the county, 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;

(g) A verification of the above information by applicant hereunder.

(4) A copy of the approved drilling permit from the corporation commission and a copy of the staking plat shall be filed with the city prior to issuance of the municipal permit.

(5) Where the application is one for the re-entry of an abandoned well, to drill a new well, or to offset a well or a former well, the application shall contain the information required by Section 16-9 (3) (b) above, with the exception that the oil and gas inspector may reduce or eliminate any stated requirements thereof, to suit the circumstances. However, such application for a permit shall provide the following information in every case:

(a) A statement of:

1. The then condition of the well;
2. The depth to which it is proposed such well shall be deepened,
3. The proposed casing program to be used in connection with proposed deepening; and

(b) Evidence of adequate current tests showing that the casing strings currently passed the same tests that are required in the case of the drilling of an original well.

(6) The oil and gas inspector's office within thirty (30) business days after the filing of an application for a permit 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 city manager that the permit be issued. Each permit issued 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,

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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 terms of said permit shall be for a period of one (1) 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 by the oil and gas inspector as are by this chapter authorized;
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.

(7) If the permit is issued, 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, standard and directives. One (1) executed original copy of said 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.

(8) If the permit is refused, or if the applicant notifies the oil and gas inspector in writing that he does not elect to accept the permit as tendered and wishes to withdraw his application, or if the bonds of the applicant be not approved, then upon the happening of any said events the cash fee filed with the application shall be refunded to the applicant, except that there shall be retained there from by the city the sum in the amount established by resolution as a processing fee.

(Ord. No. 296, 5--7, 2-2-82; Ord. No. 494, 2, 10-19-93)

Sec. 16-10. Insurance and bond coverage required.

All applications for a permit under the provisions of this chapter shall be accompanied by proof of insurance coverage as follows:

- 1) The applicant for a permit to drill, operate and/or produce a well located within corporate limits of the City of The Village shall submit a pollution insurance policy with the permit application as follows:

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- a) Said insurance policy shall be a standard pollution liability insurance policy providing for a minimum coverage of \$1,000,000.00.
 - b) Said insurance policy must be issued by a reliable insurance broker licensed to do business in the state, with the applicant/permittee and the City named as co-insureds.
 - c) Said insurance policy shall be maintained in full force and effect from commencement of drilling operations until the well is plugged and abandoned in accordance with this chapter.
 - d) All insurance policy or policies shall provide that they may not be canceled without written notice to the inspector at least 30 days prior to the effective date of such cancellation. In the event said policy or policies are canceled, the permit granted shall immediately terminate without any action on the part of the inspector, and the applicant/permittee's rights to operate under said permit shall cease until the applicant permittee files additional insurance as required herein.
 - e) The deductible for any pollution insurance policy shall not exceed \$25,000.00.
- 2) In addition to the pollution insurance required in Paragraph (1) of this section, the applicant for a permit shall submit with the permit application a policy or policies of standard comprehensive public liability insurance, including contractual liability insurance covering bodily injuries and property damage naming the applicant/permittee and the City as co-insureds, issued by an insurance company authorized to do business within the state; said policy or policies in the aggregate shall provide for the following minimum coverage:
- a) Bodily injuries, \$100,000.00 per person; \$300,000.00 per accident.
 - b) Property damage, \$200,000.00 per accident.
 - c) Said insurance policy or policies shall provide that they may not be canceled without written notice to the inspector at least 30 days prior to the effective date of such cancellation. In the event said policy or policies are canceled, the permit granted shall immediately terminate without any action on the part of the inspector and the applicant/permittee's right to operate under said permit shall cease until permittee files additional insurance

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as required herein.

- 3) The insurance policies required by this section shall be submitted and maintained in full force and effect at all times by all persons drilling, completing, operating, maintaining and/or producing any well-located within the limits of the City.
- 4) **Bond Required.**
 - a. Any person who drills or operates any well for the exploration, development or production of oil or gas, or as an injection or disposal well, within this City shall furnish on forms approved by the inspector and maintain at all times a blanket bond or blanket irrevocable letter of credit in the principal sum of at least \$25,000.00. Said bond or letter of credit must be executed by a reliable insurance company or bank authorized to do business in the state, as surety or creditor, and with the applicant/permittee as principal or debtor, running to the City for the benefit of the City and all persons concerned, conditioned that the applicant/permittee shall comply with the terms and conditions of this chapter in the drilling and operation of oil wells drilled or operated within the City.
 - b. Said bond or letter of credit must become effective on or before the date the same is filed with the City and remain in full force and effect for at least 12 months subsequent to the expiration of the permit term and, in addition, the bond or letter of credit must be conditioned that the applicant/permittee must promptly pay all fines, penalties and other assessments imposed upon the applicant/permittee by reason of his breach of any of the terms, provisions or conditions of this chapter, and that the applicant/permittee must promptly restore the streets, sidewalks and other public property of the City which may be disturbed or damaged during the applicant/permittee's operations to their former condition; and that the applicant/permittee must promptly clear all premises of all litter, trash, waste and other substances and must, after abandonment, grade, level and restore said property to the same surface condition, as far as possible, as existed prior to commencing operations; and further that the applicant/permittee shall indemnify and hold harmless the City from any and all liability attributable to granting the permit; and that the applicant/permittee shall promptly pay all sums with respect to deductibles on covered losses under insurance policies required by this chapter; and that the applicant/permittee shall comply with all of the terms of this chapter concerning the abandonment and/or plugging of all such wells. Each bond or letter of credit submitted shall cover all wells drilled or operated by said person within the City.

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- c. For good cause, the inspector, after notice to and hearing for a permittee, may require the filing of a blanket bond or letter of credit in an amount higher than \$25,000.00 but not to exceed \$100,000.00. "Good cause" shall include, but shall not be limited to, a showing that the operator or permittee has previously violated any of the provisions of Chapter 16 of this Code.
- d. The blanket bond or letter of credit required by this section shall be submitted and maintained in full force and effect at all times by all persons drilling, completing, operating, maintaining and/or producing any well located within the limits of the City.

(Ord. No. 296, 8, 2-2-82; Ord. No. 650, §1, 03-02-2010)

Sec. 16-11. Enhanced recovery and salt water or deleterious substances disposal wells.

(a) No person shall re-enter any well or drill an original well to be used for enhanced recovery or disposal of salt water or other deleterious substances without first obtaining the necessary permit therefore. Such permit shall consist of two (2) separate parts, a permit to drill or re-enter and construct, and a permit to operate.

(b) An application for the permit to drill or re-enter a well for enhanced recovery or substance disposal 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 block 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 radius of three hundred and thirty (330) feet;

(2) A block map of the project, showing the location of:

- a. All water supply wells with a one-fourth mile radius of each injection or disposal well;
- b. All public water supply wells, disposal wells, injection wells, producing wells and plugged and abandoned wells with the project area and those sections immediately adjacent;
- c. All conduits; and
- d. Tank battery, pumping station and appurtenant equipment;

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(3) All wells within the project area and those sections immediately adjacent shall be indicated by status (e.g., plugged and abandoned, injection, salt water, oil, etc.), and show the following additional information:

- a. Footage location (surface casing);
- b. Derrick floor and ground level elevation;
- c. Drilled total depth;
- d. Packer body total depth;
- e. Size, depth and quality of surface and production casing, including zones from which casing has been removed;
- f. Location of all plugs, packers, and cement plugs, tubing anchors, etc., with the well bore;
- g. Depth and nature of all cement squeeze jobs;
- h. Formation name and depth of all open perforations in a producing open hole;
- i. Volume and type of cement used on surface and production strings;
- j. Top of cement;

(4) One (1) copy of all electric, mechanical, sample and driller's logs, if available;

(5) Fee and operation name for each well,

(6) One (1) copy of all cement bond logs and production logs;

(7) One (1) copy of all work performed on the well,

(8) Copies of all information supplied to the corporation commission, and the commission's approval of the project.

(c) Upon the completion of the application required hereunder, the oil and gas inspector shall have thirty (30) business days to review same and make a recommendation of approval or disapproval to the city manager.

(d) Prior to placing any enhanced recovery or substance disposal well into service, a permit to operate such well shall be obtained from the oil and gas inspector.

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Every application for a permit to operate such well shall contain the following information:

(1) Depth to static water level (hydrostatic head). Such data shall be obtained by means of a method approved by the oil and gas inspector. Such data shall be obtained not less than forty-eight (48) hours after openings have been made through the casing into the injection disposal zone,

(2) Based on the static water level identified in the previous paragraph, maximum operating pressures and rates of injection shall be established and maintained so as to prevent the hydraulic pressure level at a radius of ten (10) feet from the injection or disposal wells from rising above the base elevation of treatable water. Such maximum operating pressures and injection rates shall be noted on the permit. No injection or disposal well will be permitted to operate if the well's zone of influence will exceed the above referenced limits.

(e) A fee in the sum established by resolution shall be submitted along with every application for a permit to operate an injection or substance disposal well.

(f) Copies of corporation commission Form No. 1015, indicating successful pressure testing of each injection well at a pressure greater than the maximum proposed for the project, or if no such Form No. 1015 has been filed and approved, then sufficient evidence of the successful pressure testing of each injection well shall be filed with the oil and gas inspector.

(g) Every such injection or disposal well shall be constructed so as to seal the injection zone from the upper portion of the casing. The annulus between the injection tubing and casing shall be filled with a non-corrosive fluid, then sealed and a one-fourth inch female fitting with cut-off valve shall be attached so that the pressure in the annulus may be measured by the oil and gas inspector by attaching a gauge having a one-fourth inch male fitting. A pressure shall be maintained in the annulus sufficient to monitor the fluids in the annulus. Any significant deviation from the established pressure shall be cause to shut down the well, and may result in cancellation of the operating permit, until such time as the established pressure can once again be maintained.

(h) Injection lines shall be buried in a trench of a depth no less than four (4) feet and shall be pressure tested (static) annually at a minimum of one hundred fifty (150) percent of the pressure normally encountered at the injection pump discharge for a period of hours to be fixed by the oil and gas inspector. 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.

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(i) Domestic and public water supply wells located within a radius of one-quarter mile of any enhanced recovery or disposal well shall be tested prior to beginning injection or disposal and thereafter semi-annually for the presence of deleterious substances, such as chlorides, sulfates, and dissolved solids. Such testing is the responsibility of the permittee and at permittee's expense, to be conducted by 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 therefore. Test results shall be filed with the city upon completion.

(Ord. No. 296, 9, 2-2-82)

Sec. 16-12. Annual fee to operate.

An annual inspection fee is hereby levied upon each well operated or maintained under a permit issued by the city; such fee shall be in the amount established by resolution, payable to the city on or before the annual anniversary date of the issuance of any permit under this chapter. 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.

(Ord. No. 296, 10, 2-2-82)

Sec. 16-13. 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 section 16-9. 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 substances, 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) No person shall dispose of salt water or other deleterious substance in any lined or unlined earthen pit within the city limits.

- (d) No person shall inject any salt water or other deleterious substance into annulus between the inside of the surface casing string and the next inside casing string, except when the bottom of the properly cemented surface casing extends two hundred (200) feet or more through or into a continuous impermeable clay barrier below the base of treatable water.

(Ord. No. 296, 11, 2-2-82)

Sec. 16-14. Compliance with applicable laws.

No person shall drill an original well or re-enter an abandoned 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.

(Ord. No. 296, 12, 2-2-82)

Sec. 16-15. Surface casing.

- (a) Surface casing shall be set a minimum of two hundred (200) feet below the deepest encounter of treatable water found in eight (8) sections adjacent to the section in which the well is located. Logs, which identify the base of treatable water, shall be run in the surface hole before the surface pipe is set. A copy of such logs shall be filed with the oil and gas inspector.
- (b) In lieu of subsection (a), surface casing may be set without the above required logging, provided the applicant can demonstrate to the satisfaction of the oil and gas inspector that the bottom of the surface casing will extend through or into at least two hundred (200) feet of continuous impermeable clay barrier below the base of treatable water, is properly cemented and cement bond logs run with the quality of the cement bond approved by the oil and gas inspector. Surface pipe shall have a centralizer on the shoe joint, and centralizer no more than two hundred (200) feet apart above the second centralizer.
- (c) 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-displayed, and 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 un-cemented annular space will then be

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cemented until good cement is circulated to surface. No further drilling shall be accomplished until the cement has set for at least twenty-four (24) hours, or in the alternative, until samples of the cement have passed independent laboratory tests satisfactory to the oil and gas inspector.

- (d) 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 disposants. 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.

(Ord. No. 296, 13, 2-2-82)

Sec. 16-16. Abandoned and plugging.

Whenever any well is abandoned it shall be the obligation of the permittee and the operator of the well to set a two hundred (200) foot cement plug in the bottom of the surface casing, with the bottom of the plug one hundred (100) feet below the surface casing section; and to set a fifty (50) foot cement plug in the top of the surface casing. No surface or conductor string of casing may be pulled or removed from a well. During initial abandonment operations it will be the obligation of the permittee and operator to flood the well with mud-laden fluid weighing not less than nine (9) pounds per gallon, and to circulate this mud until stabilized, and the well shall be kept filled to the top with mud-laden fluid above the specifications and the mud will be left in the well bore below and between cement plugs. Any additional provisions or precautionary measures prescribed by the state or the corporation commission of the state in connection with the abandonment and plugging of a well shall be complied with by the permittee.

(Ord. No 296, 14, 2-2-82)

Sec. 16-17. Well location.

No permit shall be issued for the drilling of an original well or the re-entry of an abandoned well at any location which is nearer than three hundred (300) feet of any permanent residence or commercial building, or which is closer than three hundred (300) feet to a producing fresh water well. However, nothing herein shall limit, restrict, or prevent an operator from being able to work over or re-drill a well that was drilled or in production on or before August 1, 1987. A re-drilled well shall be located no further than fifty (50) feet from the original well it replaces.

(Ord. No 296, 15, 2-2-82; Ord. No. 313, 1, 11-18-82; Ord. No. 494, 3, 10-19-93)

Sec. 16-18. Fences.

Any person who completes any well as a producer shall have the obligation to enclose said 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. In non-platted areas the oil and gas inspector, at his discretion, may waive the requirement of any fence or may designate the type of fence to be erected. Fences must be kept locked at all times workers of permittee are not present; a duplicate set of keys to said lock shall be filed with the oil and gas inspector.

(Ord. No. 296, 16, 2-2-82)

Sec. 16-19. 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 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.

(Ord. No. 296, 17, 2-2-82; Ord. No. 494, 4, 10-19-93)

Sec. 16-20. Facilities.

All lease equipment shall be painted and maintained in a good state of appearance, and shall have posted in a prominent place a metal sign no less than two (2) feet square in area upon which the following information shall be conspicuous:

- (1) Permittee's name;
- (2) Lease name;
- (3) Location of the drill site by reference to the United States survey; and
- (4) Identifying number of the permit issued by the city.

(Ord. No. 296, 18, 2-2-82)

Sec. 16-21. Storage tanks and separators.

(a) Crude oil storage tanks shall not be constructed, operated or used except to the extent of two (2) steel tanks for oil storage, not exceeding five hundred (500) barrels capacity each and so constructed and maintained as to be vapor tight. Additional tankage may be approved by the oil and gas inspector.

(b) A permittee may use, construct and operate a steel conventional separator and/or 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 be vapor tight.

Each oil gas separator shall be equipped with both a regulation pressure-relief safety valve and a bursting head.

(Ord. No. 296, 19, 2-2-82)

Sec. 16-22. Fire prevention.

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 to such requirements as may from time to time be issued by the fire department.

(Ord. No. 296, 20, 2-2-82)

Sec. 16-23. Pits.

Steel mud or circulating pits shall be used. Such pits and contents shall be removed from the premise and the drilling site within fifteen (15) days after completion of the well. Earthen pits will be allowed only as temporary emergency pits and/or as catch basins. Catch basin pits shall be used only for the purpose of catching any deleterious substance runoff and shall be no greater than three hundred and twenty (320) cubic feet. Such catch basin will be equipped with a liquid level activated pump designed to keep fluids pumped out of such catch basin pit. All such earthen pits must be lined and approved in writing by the oil and gas inspector. Emergency pits shall be emptied as soon as the emergency is over and all such pits shall be emptied and then leveled within fifteen (15) days after completion of the well.

(Ord. No. 296, 21, 2-2-82)

Sec. 16-24. Retaining walls.

- (a) An earthen retaining wall of adequate size for the terrain involved will 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 level with the top of the base of the Christmas tree or other wellhead connections on any completed well, or at least level with the ground at the point where surface casing is set in the well when drilling.
- (b) An earthen diversion wall of adequate size for the terrain involved shall be constructed on the high side of the well site in the event the well site is located on sloping or unlevel ground. The diversion wall will be of sufficient height and strength so as to divert runoff waters around the well site.
- (c) Each permittee or person responsible for operating and maintaining any well or tank battery permitted pursuant to this Chapter shall take appropriate measures to prevent runoff waters around the well or battery site from depositing mud on adjacent properties, streets, parking lots and public ways.

(Ord. No. 296, 22, 2-2-82; 2004 City Code)

Sec. 16-25. Motive power for pumps.

Motive power for well pumping equipment may be by gas, gasoline, or diesel engine if equipped with "hospital" type mufflers; otherwise, it shall be by electric motor.

(Ord. No. 296, 23, 2-2-82; Ord. No. 494, 5, 10-19-93)

Sec. 16-26. Derrick and rig.

It shall be unlawful 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.

(Ord. No. 296, 24, 2-2-82)

Sec. 16-27. Drilling operations; equipment.

All drilling, re-entry and operations at any well performed under this chapter shall be conducted in accordance with the practices of the reasonably prudent operator. All casing, valves, and blowout preventers, drilling fluid, tubing, bradenhead, Christmas tree, and wellhead connections shall be of a type and quality consistent with the practices of such reasonable prudent operator. Setting and cementing casing and running drill stem tests shall be performed in a manner and at a time consistent with the practices of such reasonable prudent operator. Any permittee under this chapter shall observe and follow the recommendations of 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.

(Ord. No. 296, 25, 2-2-82; Ord. No. 494, 6, 10-19-93)

Sec. 16-28. Moving of drilling rig.

It shall be 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.

(Ord. No. 296, 26, 2-2-82)

Sec. 16-29. 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. 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 or city manager, and then only temporarily.

(Ord. No. 296, 27, 2-2-82)

Sec. 16-30. 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 marshal.

(Ord. No. 296, 28, 2-2-82)

Sec. 16-31. Fracture and acidizing.

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

(Ord. No. 296, 29, 2-2-82)

Sec. 16-32. Swabbing and bailing.

In swabbing, bailing, or purging a well, all deleterious substances removed from the borehole shall be placed in appropriate tanks and no substances shall be permitted to pollute any surface or subsurface fresh waters.

(Ord. No. 296, 30, 2-2-82)

Sec. 16-33. 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, and shall report the incident to the oil and gas inspector promptly.

(Ord. No. 296, 31, 2-2-82)

Sec. 16-34. 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.

(Ord. No. 296, 32, 2-2-82)

Sec. 16-35. Water for muds.

In the event a freshwater supply well is drilled to provide for drilling muds, upon the completion of for which such well is required, such well shall be plugged by cementing top to bottom, after notice of intention to so plug is provided the oil and gas inspector, who may supervise the operation.

(Ord. No. 296, 33, 2-2-82)

Sec. 16-36. Service companies.

Upon request of the oil and gas inspector, service companies or other persons shall furnish and file reports and records showing perforating, hydraulic fracturing, cementing, shooting, chemical treatment and all other service operations on any site covered by this ordinance. Such furnished material shall remain confidential where such confidentiality is usually granted by the state. Failure to provide any such requested material shall be unlawful.

(Ord. No. 296, 35, 2-2-82)

Sec. 16-37. 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 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.

(Ord. No. 296, 36, 2-2-82)

Sec. 37-38. Inspection of pressure lines.

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.

(Ord. No. 296, 37, 2-2-82)

Sec. 16-39. Ingress and egress.

Lease roads shall be maintained in such a manner as to safely and comfortably allow for ingress and egress of city or state personnel traveling in a common passenger motor vehicle.

(Ord. No. 296, 38, 2-2-82)

Sec. 16-40. Conduits on streets and alleys.

(a) No permittee under this chapter shall make any excavations or construct any lines for the conveyance of fuel, water, or minerals, on, under, or through the streets

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and alleys of the city without first having obtained a permit therefore upon application to the city clerk.

(b) The city clerk shall prescribe the forms to be used for such application and the information to accompany it.

(c) Each application for a permit under this section shall be accompanied by a non-refundable filing fee in the amount established by resolution.

(d) The city manager shall, within twenty (20) 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.

(f) The permittee under this section shall pay to the city an annual renewal and inspection fee in the amount established by resolution.

(g) The city manager shall appoint a representative who shall inspect such conduits to assure the public safety. No permit issued under this section shall be renewed if the conduit or any part thereof covered by such permit is in unsafe condition.

(Ord. No. 296, 42, 2-2-82)