

**ORDINANCE NO. 16-2095**

**AN ORDINANCE OF THE CITY OF LAKE JACKSON, TEXAS, REGULATING THE DRILLING AND PRODUCTION OF OIL AND GAS WELLS WITHIN THE CITY; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Lake Jackson, Texas (the "City") is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, the City Council of Lake Jackson, Texas finds that the enactment of regulations governing drilling and production of oil and gas prior to permitting such operations is necessary in order to protect the health, safety, and general welfare of the public; and

**WHEREAS**, the regulations herein established will preserve property values as well as ensure safety by limiting noise, requiring screening and landscaping, establishing minimum distance from residential and business structures and requiring restoration of drilling sites and otherwise minimizing the impact of such operations on the city's residents; and

**WHEREAS**, the City Council of the City of Lake Jackson finds that the regulations set forth herein are commercially reasonable and will allow a reasonably prudent operator to fully, effectively, and economically exploit, develop, produce, process, and transport oil and gas, as determined based on the objective standard of a reasonably prudent operator and not on an individualized assessment of an actual operator's capacity to act; and

**WHEREAS**, the City Council of the City of Lake Jackson finds that the regulations set forth herein will not effectively prohibit an oil and gas operation conducted by a reasonably prudent operator; and

**WHEREAS**, in light of the foregoing, the City Council of Lake Jackson, Texas deems it prudent to enact an ordinance to govern the drilling and production of oil and gas within the corporate limits of the City of Lake Jackson.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS THAT:**

## SECTION 1.

That Article III, "Oil, Gas, Sulphur Mining" of Chapter 38 of the Code of Ordinances, City of Lake Jackson, Texas, is hereby amended to read as follows:

### ARTICLE III. - OIL, GAS, SULPHUR MINING

#### Sec. 38-101 Purpose

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

#### Sec. 38-102 Definitions

All technical industry words or phrases related to the drilling and production of oil and gas wells not specifically defined in this article shall have the meanings customarily attributable thereto by prudent and reasonable oil and gas industry operators. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Abandonment:* means "abandonment" as defined by the Texas Railroad Commission and includes the plugging of the well and the restoration of any well site as required by this article.

*All-Weather Hard Surface:* means a permanent surface that as a minimum is a base course constructed such that it meets the requirements of the International Fire Code, be at least twenty feet (20') wide, have an overhead clearance of fourteen feet (14'), drains appropriately, remains water resistant, is free of litter, debris, weeds, grass or other objectionable materials or objects and is visibly dust free.

*Berm:* means a mound of soil, either natural or man-made, used to obstruct a view.

*Blowout Preventer:* means a mechanical, hydraulic, pneumatic or other device or combination of such devices secured to the top of a well casing, including valves, fittings and control mechanisms connected therewith, which can be closed around the drill pipe, or other tubular goods which completely close the top of the casing and are designed for preventing blowouts.

*Building:* means any primary structure used or intended for supporting or sheltering any use or occupancy. The term "building" shall be construed as if followed by the words "or portions thereof."

*Commission:* means the Texas Railroad Commission.

*Completion:* means the date the work is completed for the drilling, re-drilling or re-working of a well and the crew is released by completing its work or contract or by its employer.

*Day:* means a calendar day.

*Derrick:* means any portable framework, tower, mast and/or structure which is required or used in connection with drilling or re-working a well for the production of oil and gas.

*Drilling:* means digging or boring a new well for the purpose of exploring for, developing or producing oil and gas or for the purpose of injecting gas, water or any other fluid or substance into the earth.

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

*Drill Site:* means the immediate area used during the drilling, re-drilling or re-working of a well.

*Emergency Response Plan:* means a plan put in place to deal with emergency situations that may occur at the site during all stages of the drilling and production process.

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

*Fire Department:* means the Lake Jackson Volunteer Fire Department.

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

*Landfarming or Landfarm:* means the deposit, spreading or mixing of drill cuttings, drilling fluids, drilling mud, produced water or other drilling waste generated by the oil and natural gas well drilling process on to the surface of land located within the territorial limits of the City.

*Oil:* means crude petroleum and other hydrocarbons regardless of gravity which are produced at the wellhead in liquid form and the liquid hydrocarbons known as distillate or condensate recovered or extracted from gas, other than gas produced in association with oil and commonly known as casinghead gas.

*Oil and Gas Well:* means any well drilled, to be drilled, or used for the intended or actual production of natural gas, oil and other hydrocarbons.

*Operation Site:* means the area used for development and production and all operational activities associated with oil and gas after drilling activities are complete.

*Operator:* means, for each well, the person listed on the Railroad Commission's Form W-1 or Form P-4 for a well that is, or will be actually in charge and in control of drilling, maintaining, operating, pumping or controlling any well, including, without limitation, a unit operator. If the operator, as herein defined, is not the lessee under an oil and gas lease of any premises affected by the provisions of the article, then such lessee shall also be deemed to be an operator. In the event that there is no oil and gas lease relating to any premises affected by this article, the owner of the fee mineral estate in the premises shall be deemed an operator.

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

*Production:* means the period between completion of drilling and the abandonment of the well.

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

*Re-Drill:* means re-completion of an existing well by deepening or sidetrack operations extending more than one hundred fifty feet (150') from the existing well bore.

*Religious Institution:* means any building in which persons regularly assemble for religious worship and activities intended primarily for purposes connected with such worship or for propagating a particular form of religious belief.

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

*Re-working:* means re-completion or re-entry of an existing well within the existing bore hole or by deepening or sidetrack operations which do not extend more than one hundred fifty feet (150') from the existing well bore, or replacement of well liners or casings.

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

*Road Damage Remediation Fee* means a fee assessed to repair damage to public roadways that is based on the projected damage and decreased life expectancy of roadways in the city caused by the operator's use of the roadways.

*Road Repair Agreement* means a written agreement obligating the operator to repair damage to public streets and bridges caused by the performance of any drilling of wells or the production of any gas wells.

*School:* means any public and private, primary, secondary, and higher educational facilities providing education up through and including college level classes and any licensed day care centers, meaning a facility licensed by the State of Texas or by the City of Lake Jackson that provides care, training, education, custody, treatment or supervision for more than six (6) children under fourteen (14) years of age, and for less than twenty-four (24) hours per day.

*State water:* means the waters identified by Section 11.021 of the Texas Water Code.

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

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

### **Sec. 38-103 City Oversight**

Agents of the City shall have the authority to enter and inspect any premises covered by the provisions of this article to determine compliance with the provisions of this article and all applicable laws, rules, regulations, standards or directives of the City or State. Failure of any person to permit access to any City agent shall constitute a violation of this article. Additionally, City officials shall have the authority to issue any orders or

directives required to carry the intent and purpose of this article and its provisions. City officials shall have the authority to request and receive any records, including any records sent to the Commission, logs, reports and the like, relating to the status or condition of any permitted well necessary to establish and determine compliance with the applicable permit. Failure of any person to provide any such requested material shall be deemed a violation of this article.

### **Sec. 38-104 Operator's Agent**

Every operator of any well shall designate an agent, who is a resident of the State of Texas, upon whom all orders and notices provided in this article may be served in person or by registered or certified mail. Every operator designating such agent shall within ten (10) days notify the City in writing of any change in such agent or such mailing address unless operations within the City are discontinued. Failure to do so shall be deemed a violation of this article.

### **Sec. 38-105 Seismic Survey Permit Requirements**

A permit shall be required for seismic surveys. All seismic survey permit applications shall be submitted to city council for approval. The seismic survey shall not begin prior to the issuance of a seismic survey permit from the City. A permit shall include, but is not limited to, the following information:

- (a) Operator/applicant name, phone number, fax number, physical address, and, if possible, email address; if the operator is a corporation, the state of the incorporation, and if the operator is a partnership, the names and addresses of the general partners shall be provided.
- (b) Detailed mapping of location and extent of seismic survey.
- (c) Date and time the seismic survey will be conducted.
- (d) Detailed explanation of the seismic survey method to be used on site.
- (e) Date and time the seismic survey will be completed.
- (f) If the seismic survey is conducted in any right-of-way then the operator must reimburse all costs to the City for any damages associated with the seismic survey.
- (g) The permit fee for a seismic survey on public property shall be 25 cents per linear foot, plus the costs of barricade rental and personnel required to direct and divert traffic if City forces and materials are used.
- (h) An operator must submit a traffic safety and management plan as required by the City with all seismic surveys that are conducted within the right-of-way.

- (i) Under no circumstances may explosive charges, including, but not limited to, the use of dynamite, be used in any way related to the preparation and/or operation of conducting a seismic survey.
- (j) Operator/applicant shall purchase and maintain the following insurance coverage:
  - (1) Worker's compensation insurance meeting applicable statutory requirements and employer's liability insurance with minimum limits of One Hundred Thousand Dollars (\$100,000) for each accident.
  - (2) Commercial general liability insurance, or any combination of general liability and umbrella or excess insurance, with minimum limits of Two Million Dollars (\$2,000,000) as the combined single limit for each occurrence of bodily injury, personal injury and property damage. The policy shall provide blanket contractual liability insurance for all written contracts and shall include coverage for products and completed operations liability, and independent contractor's liability; coverage for property damage. The insurance coverage must be written by a company or companies approved to conduct business in the State of Texas. The City, its officers and employees, must be named as an additional insured on the policy.
  - (3) Automobile liability insurance covering all owned, hired, and non-owned vehicles in use by Operator/applicant, its employees and agents, with personal protection insurance and property protection insurance to comply with the provision of state law with a minimum limits of Two Million Dollars (\$2,000,000) as the combined single limit for each occurrence for bodily injury and property damage.
  - (4) The City will accept certificates of self-insurance which provide the same coverage as required herein, so long as the Operator/applicant demonstrates by written information to the City Manager that it has adequate financial resources to be a self-insured entity.
  - (5) All policies other than those for Worker's Compensation shall be written on an occurrence and not on a claims made basis and shall name the City, its officers and employees as additional insureds. All insurance carriers and surplus line carriers shall be rated A+ or better by A.M. Best Company.
  - (6) Insurance policies must provide that the issuing company waives all right to recovery by way of subrogation against the City in connection with damage covered by the policy.

## **Sec. 38-106 Oil and Gas Well Permit Requirements**

- (a) A person wanting to engage in and/or operate in oil and gas production activities shall apply for and obtain an oil and gas well permit under this article and shall indicate what type of well permit is requested. It shall be unlawful for any person acting either for himself or acting as an agent, employee, independent contractor, or servant for any person to drill any well, assist in any way in the site preparation, re-working, or operation of any such well or to conduct any activity related to the production of oil and gas without first obtaining an oil and gas well permit issued by the City in accordance with this article. Such activities include, but are not limited to, re-working, initial site preparation, drilling, operation, and construction of rigs or tank batteries.
- (b) The operator must apply for and obtain an oil and gas well permit for the drilling of each well. The operator shall neither apply for nor obtain a "blanket" permit for more than one (1) well if multiple wells are located on the same tract of land. Each new well established at the ground surface will be considered a new oil and gas well permit.
- (c) An existing oil and gas well permit shall not constitute authority for the re-entering and drilling of an abandoned well. An operator shall obtain a new well permit in accordance with the provisions of this article if the operator is re-entering and drilling an abandoned well.
- (d) When an oil and gas well permit has been issued to the operator for the drilling, re-entering, activating or converting of a well, such oil and gas well permit shall constitute sufficient authority for drilling, operation, production gathering or production maintenance, repair, re-working, testing, plugging and abandonment of the well and/or any other activity associated with mineral exploration at the site of such well. An amended oil and gas well permit shall be obtained before such well may be modified for purposes of re-drilling, deepening or converting such well to a depth or use other than that set forth in the then current permit for such well.
- (e) Any person who intends to re-work a permitted well using a drilling rig after initial completion shall give written notice to the City no less than ten (10) days before the activities begin. The notice must identify where the activities will be conducted and must describe the activities in detail, including, but not limited to, the duration of the activities and the time the activities will be conducted. The use of explosive charges shall be subject to the approval of the City Council. The notice must also provide the address and twenty-four (24) hour telephone number of the person conducting the activities. The person conducting the activities shall post a sign on the property giving the public notice forty eight (48) hours in advance of the re-working activities. The sign shall comply with the requirements of Section 38-113, "On Site and Technical Regulations," (w) Signs (1).

- (f) Well setbacks for oil and gas well permits.
- (1) It shall be unlawful to drill, re-drill, deepen, re-enter, activate or convert any well, the center of which, at the surface of the ground, is located:
    - a. Within six hundred feet (600') from any residence, religious institution, public building, school, retail or commercial building, city park, state water or hospital building for which a building permit has been issued on the date of the application for an oil and gas well permit is filed with the City;
    - b. Within fifty feet (50') of any public street, road, highway, or right-of-way line;
    - c. Within one hundred feet (100') of any existing potable water well.
    - d. Within one hundred fifty feet (150') of any property line.
    - e. The measurement of all distances shall be calculated from the proposed well bore, in a straight line, without regard to intervening structures or objects, to the closest exterior point of the object listed in items a through d, above. The above calculations shall be prepared by a Registered Professional Land Surveyor.
  - (2) Tank batteries, including storage tanks, separators and compressors shall be located at least three hundred feet (300') from any playground, competition athletic field, picnic area, residence, religious institution, public building, hospital building or schools, or any other building used or designed and intended to be used for human occupancy for which a building permit has been issued on the date the application for an oil and gas well permit is filed. The distance shall be calculated from the closest tank batteries, separators or compressors, in a straight line, without regard to intervening structures or objects, to the closest part of the playground, competition athletic field, picnic area, residence, religious institution, public building, hospital building or schools, or any other building used or designed and intended to be used for human occupancy.
  - (3) The distances set out in subsection 38-106 (f)(1)(a) above may be reduced at the discretion of the City Council, but never less than three hundred feet (300') except as provided by (4) below. All distance reductions shall be documented as exceptions to the requested permit prior to issuance.
  - (4) Notwithstanding the provisions of this section, wells may be drilled no closer than one hundred fifty feet (150') from an existing residence

constructed on a lot or tract that is at least one-half acre in size and that is occupied by persons who in writing consent to the request to drill the well if approved by a majority vote of the City Council. Said written consent is required from all residences occupied by persons within three hundred feet (300') of a proposed well bore prior to an application for a well permit being processed by city staff. Wells may be re-drilled, deepened, re-entered, activated or converted if no closer than one hundred fifty feet (150') from any residence constructed after the well was originally drilled without such consent.

- (5) Notwithstanding the provisions of this section, new residences may be built no closer than three hundred feet (300") from an existing well.
- (g) An oil and gas well permit shall automatically terminate, unless extended, if drilling is not commenced within ninety (90) days from the date of the issuance of the permit. A well permit may be extended by the City for an additional ninety (90) days upon written request by the operator and proof that the regulatory standards of the requested permit for such location have not changed.
- (h) Permits required by this article are in addition to and are not in lieu of any permit which may be required by any other provision of the City Code or by any other governmental agency.
- (i) No oil and gas well permit shall be issued for any well to be drilled within the floodway identified by the Federal Emergency Management Agency (FEMA) on the most current Federal Insurance Rate Map (FIRM) or by the City of Lake Jackson, whichever is more restrictive. Oil and gas wells proposed in the floodplain outside of the floodway shall comply with the requirements for development in the City's Standard General Conditions Manual.
- (j) No oil and gas well permit shall be issued for any well to be drilled that is not in compliance with any standard, provision, procedure, and/or recommendation as described in the Standard General Conditions Manual.
- (k) By acceptance of any permit issued pursuant to this article, the operator expressly stipulates and agrees to be bound by and comply with the provisions of this article. The terms of this article shall be deemed to be incorporated in any permit issued pursuant to this article with the same force and effect as if this article was set forth verbatim in such permit.

### **Sec. 38-107 Oil and Gas Well Permit Application and Filing Fees**

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

- (b) Every application shall be accompanied by a permit fee of five thousand dollars (\$5,000.00), provided, however, that in the event the City incurs additional costs to administer a permit application, the applicant shall pay for all such additional cost as part of the permit fee. The application shall include the following information:
- (1) The date of the application and type of permit requested.
  - (2) An accurate legal description of the lease property to be used for the operation site, the parcel and the production unit and name of the geologic formation as used by the Commission. Property recorded by plat shall reference subdivision, block and lot numbers.
  - (3) Map showing proposed transportation route and road(s) for equipment, chemicals or waste products used or produced by the oil and gas operation.
  - (4) Proposed well name and well depth.
  - (5) Surface owner names(s), telephone number(s), fax number(s), physical address(es), and, if possible, e-mail addresses, of the lease property.
  - (6) Mineral lessee name, telephone number, fax number, physical address, and, if possible, e-mail address.
  - (7) Operator/applicant name, telephone number, fax number, physical address, and if possible, e-mail address and if the operator is a corporation, the state of incorporation, and if the operator is a partnership, the names and addresses of the general partners.
  - (8) Name, telephone number, fax number physical address of individual designated to receive notice, and, if possible, e-mail address.
  - (9) Names and address of representatives or operator's agent with supervisory authority over all oil and gas operation site activities and an emergency twenty-four (24) hour telephone number.
  - (10) Location and description of all improvements and structures within eight hundred feet (800') of the well. Such locations and descriptions shall be prepared by a Registered Professional Land Surveyor.
  - (11) A site plan of the proposed operation site showing the location of all improvements and equipment, including the location of the proposed well(s) and other facilities including, but not limited to, tanks, pipelines, compressors, separators and storage tanks or storage sheds. Upon completion of the construction of the drill site, the operator shall furnish the

City with a post-construction site plan. The operator shall furnish the City with a new site plan whenever a change is made to the existing conditions of a drill site, fracturing pit, or access road. All site plans must include the following criteria:

- a. Property boundaries with dimensions and setback lines.
- b. Location of proposed buildings and structures indicating sizes in square feet.
- c. The location and intensity of exterior lighting fixtures.
- d. The location of mechanical equipment.
- e. Outside storage areas.
- f. Curb cut locations.
- g. Parking, loading, and maneuvering areas.
- h. The location, materials and dimensions of screening improvements as required by section 38-114.
- i. A separate plan sheet showing the location, materials and dimensions of all screening improvements as required by section 38-114.
- j. Waste disposal locations with screening.
- k. Adjacent Property lines, streets, easements immediately adjacent to the operation site.
- l. Names of owners of property immediately adjacent to the operation site.
- m. Names of subdivisions immediately adjacent to the operation.
- n. Site plans shall be submitted on a sheet size of 24" x 36" minimum with a scale of 100:1 inch. Digital versions of the plans may be submitted in addition to the hard copy.
- o. City boundaries where applicable.
- p. Date the drawing was prepared with name, address, and phone number of preparer.

- q. Location, width, purpose of all existing easements.
  - r. North arrow, at a maximum scale of 1:50 immediately adjacent to the operation site.
  - s. All existing street names immediately adjacent to the operation site.
  - t. Dimensions of all existing rights-of-way.
  - u. Title Block identifying oil and gas well site location.
  - v. Vicinity location map at 1"= 2000'.
  - w. Zoning classifications of all properties shown on the Site Plan.
  - x. Location of 100-year flood limits where applicable.
  - y. Texas NAD83 State Plane Coordinates for at least two corners
  - z. As a minimum, a preliminary drainage study as identified in the Design Criteria and Construction Standards Manual.
- (12) Copies of all reports required by the Commission, specifically including a copy of the approved Railroad Commission Form W-1 and/or P-4.
  - (13) A description of public utilities required during drilling and site operations.
  - (14) A description of the water source to be used during drilling.
  - (15) A copy of the Storm Water Pollution Prevention Plan (SWPPP) as required by the Commission, the Texas Commission on Environmental Quality (TCEQ), the United States Environmental Protection Agency (USEPA) and/or the City. A copy of the Notice Of Intent (NOI) shall be submitted to the City at least three (3) days prior to the commencement of any onsite activity.
  - (16) A copy of the determination by the Commission of the depth of useable quality ground water.
  - (17) Evidence of insurance and security requirements under this article.
  - (18) A statement, under oath, signed by the operator or designated representative, that the information submitted with the application is, to the best knowledge and belief of the operator or designated representative, true and correct.

- (19) All required application and permit fees.
  - (20) A copy of a Hazardous Materials Management Plan and additionally, all material safety data sheets (MSDSs) for all hazardous materials that will be located, stored, transported and/or temporarily used on the drilling site shall be provided to the City and the Fire Marshal.
- (c) Building Permit Required.
- (1) No building or structure regulated by the current technical codes adopted by the City shall be erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted, or demolished unless a separate permit for each building or structure has first been obtained from the City. No subdivision plat will be required.
  - (2) Appropriate temporary or permanent restroom facilities shall be provided during the course of any work subject to regulation by the current technical codes adopted by the City.
- (d) A road repair agreement and road damage remediation fee shall be submitted in conjunction with the application for a well permit. The agreement must be signed by the operator and the City Manager. A road damage remediation fee shall be charged for each well included in a well permit in the amount determined by a technical advisor hired by the City in accordance with section 38-119.

### **Sec. 38-108 Permitting Procedure**

- (a) All Oil and Gas Well Permits will be filed through the City Manager's Office.
- (b) It is the responsibility of the City to review and approve or disapprove all applications for oil and gas well drilling permits based on the criteria established by this article.
- (c) The City, within sixty (60) days after the filing of a completed application and remittance of all fees, insurance, and security per the requirements of this article for an oil and gas well permit, shall determine whether the permit application shall be approved or denied.
- (d) The provisions of this article shall apply to any dwellings or buildings for which an application for a building permit has been submitted on the date the application for an oil and gas well permit is filed with the City.
  - (1) All new and/or proposed construction of any buildings, structures, streets, roads, and/or applicable improvements to the property upon which any oil

or gas well is located must be in compliance with all applicable setback requirements enumerated in this article.

- (2) If all the requirements of this article are met, the City shall issue a permit for the drilling of the well or the installation of the facilities for which the permit application was made.
  - (3) If the City denies a permit application for cause as set out in this article for the requested oil and gas well permit, the City shall notify the operator in writing of such denial stating the reasons for the denial. Within sixty (60) days of the date of the written decision of the City to deny the permit, the operator may cure those conditions that caused the denial and resubmit the application to the City for approval and issuance of the permit. Additionally, the operator may file an appeal to the City Council pursuant to section 38-118 of this article.
  - (4) The failure of the City to review and issue a permit within the time limits specified above shall not cause the application to be deemed approved. The failure of the City to act within the time limit shall be deemed a disapproval. The operator may file an appeal to the City Council pursuant to section 38-118 of this article.
- (e) If an application for a permit is denied by the City, nothing herein contained shall prevent a new permit application from being submitted to the City for the same well.

### **Sec. 38-109 Amended Oil and Gas Well Permits**

- (a) An amended permit may be issued for, but not limited to, the following changes in drill and/or operational site activities:
  - (1) Re-drilling;
  - (2) Deepening beyond one hundred fifty feet (150') of the permitted depth;
  - (3) Site access;
  - (4) Locations and/or quantities of equipment as determined by the City;
  - (5) Locations and/or number of drilling fluid or other types of pits; and
  - (6) Locations and/or number of buildings and structures.
- (b) Applications for amended permits shall be in writing, shall be signed by the operator, and shall include the following:

- (1) An application fee of five hundred dollars (\$500.00);
  - (2) A description of the proposed amendments;
  - (3) Any changes to the information submitted with the application for existing permit (if such information has not previously been provided to the City);
  - (4) Such additional information as is reasonably required by the City to demonstrate compliance with the applicable permit;
  - (5) Such additional information as is reasonably required by the City to prevent imminent destruction of property or injury to persons; and
  - (6) An amended Site Plan will be required.
- (c) All applications for amended permits shall be filed with the City. Incomplete applications may be returned to the applicant, in which case the City shall provide a written explanation of the deficiencies; however, the City shall retain the application fee. The City may return any application as incomplete if there is a dispute pending before the Commission regarding the determination of the operator.
- (d) If the activities proposed by the amendment are not materially different from the activities covered by the existing permit then the City shall approve or disapprove the amendment within thirty (30) days after the application is filed.
- (e) If the activities proposed by the amendment are materially different from the activities covered by the existing permit, and do not create a risk of destruction of property or injury to persons, then the City shall approve or disapprove the amendment within sixty (60) days after the application is filed. If, however, the activities proposed by the amendment are materially different and, in the judgment of the City, might create a risk of destruction of property or injury to persons that were not associated with the activities covered by the existing permit or that were not otherwise taken into consideration by the existing permit, the City may require the amendment to be processed as a new permit application.
- (f) The failure of the City to review and issue an amended permit within the time limits specified above shall not cause the application for the amended permit to be deemed approved. Further, the decision of the City to deny an amendment to a permit shall be provided to the operator in writing within the time period indicated in (d) and (e) above, including an explanation of the basis for the decision. The operator may appeal any such denial to the City Council pursuant to section 38-118 of this article.

## **Sec. 38-110 Suspension or Revocation of Oil and Gas Well Permits**

- (a) If an operator (or its officers, employees, agents, contractors, or representatives) fails to comply with any requirement of a permit (including any requirement incorporated by reference as part of the permit), the City shall give written notice to the operator specifying the nature of the failure and giving the operator a reasonable time to cure, taking into consideration the nature and extent of the failure, the extent of the efforts required to cure, and the potential impact on the health, safety, and welfare of the community. In no event, however, shall the cure period be less than ten (10) days unless the failure presents a risk of imminent danger of property or injury to persons or unless the failure involves the operator's failure to provide periodic reports as required by this article.
- (b) If the operator fails to correct the noncompliance, the City may suspend or revoke the permit pursuant to the provisions of this article.
- (c) No person shall carry on any operations performed under the terms of the permit issued under this article during any period of any permit suspension or revocation or pending a review of the decision or order of the City in suspending or revoking the permit. Nothing contained herein shall be construed to prevent the necessary, diligent and bona fide efforts to cure and remedy the default or violation for which the suspension or revocation of the permit was ordered for the safety of persons or as required by the Commission.
- (d) If the operator does not cure the noncompliance within the time specified in this article, the City, upon written notice to the operator, may notify the Commission and request that the Commission take any appropriate action.
- (e) An operator may, within thirty (30) days of the date of the decision of the City in writing to suspend or revoke a permit, file an appeal to the City Council pursuant to section 38-118 of this article.

## **Sec. 38-111 Periodic Reports**

- (a) The operator shall notify the City of any changes to the following information within ten (10) days after the change occurs:
  - (1) The name, physical address, telephone number, and fax number, of the operator;
  - (2) The name, address, and telephone number of the person designated to receive notices from the city (which person must be a resident of Texas that can be served in person or by registered or certified mail); and
  - (3) The operator's emergency action response plan (including "drive-to-maps" from public rights-of-way to each drill site).

- (b) The operator shall notify in writing the City of any change to the name, address, and twenty-four (24) hour phone number of the person(s) with supervisory authority over drilling or operations activities within one (1) business day.
- (c) The operator shall provide a copy of any "incident reports" or written complaints submitted to the Commission and a copy to the City within ten (10) days after the operator has notice of the existence of such reports or complaints.
- (d) Beginning on December 31st after each well is completed, and continuing on each December 31st thereafter until the operator notifies the City that the well has been abandoned and the site restored, the operator shall submit a written report to the City identifying any changes to the information that was included in the application for the applicable permit that have not been previously reported to the City.

**Sec. 38-112 Bond, Letters of Credit, Indemnity, Insurance.**

- (a) *General requirements.* The operator shall be required to:
  - (1) Comply with the terms and conditions of this article and the permit issued hereunder.
  - (2) Promptly clear drill and operation sites of all litter, trash, waste and other substances used, allowed, or occurring in the operations, and after abandonment or completion grade, level and restore such property to the same surface conditions as nearly as possible as existed before operations as determined by the City.
  - (3) *Indemnification and express negligence provisions.* Operators shall sign each permit and the City shall retain a signed original. Each such permit issued by the City shall include the following language: Operator does hereby expressly release and discharge, all claims, demands, actions, judgments, and executions which it ever had, or now has or may have, or assigns may have, or claim to have, against the City of Lake Jackson, and/or its departments, agents, officers, servants, successors, assigns, sponsors, volunteers, or employees, created by, or arising out of personal injuries, known or unknown, and injuries to property, real or personal, or in any way incidental to or in connection with the performance of the work performed by the operator under a permit. The operator shall fully defend, protect, indemnify, and hold harmless the City of Lake Jackson, Texas, its departments, agents, officers, servants, employees, successors, assigns, sponsors, or volunteers from and against each and every claim, demand, or cause of action and any and all liability, damages, obligations, judgments, losses, fines, penalties, costs, fees, and expenses incurred in defense of the City of Lake Jackson, Texas, its departments, agents,

officers, servants, or employees, including, without limitation, personal injuries and death in connection therewith which may be made or asserted by operator, its agents, assigns, or any third parties on account of, arising out of, or in any way incidental to or in connection with the performance of the work performed by the operator under a permit.

- (4) Promptly pay all fines, penalties and other assessments imposed due to breach of any terms of the permit.
  - (5) Promptly restore to its former condition any public property damaged by the oil and gas operation.
- (b) *Bond, irrevocable letter of credit.* Prior to the issuance of an oil and gas well permit the operator shall provide the City with a security instrument in the form of a bond or an irrevocable letter of credit as follows:
- (1) **Bond.** A bond shall be executed by a reliable bonding or insurance institution authorized to do business in Texas, acceptable to the City. The bond shall become effective on or before the date the oil and gas well permit is issued and shall remain in force and effect for at least a period of six (6) months after the expiration of the permit term or until the well is plugged and abandoned and the site is restored, whichever occurs last. The operator shall be listed as principal and the instrument shall run to the City, as obligee, and shall be conditioned that the operator will comply with the terms and regulations of this article and the City. The original bond shall be submitted to the City.
  - (2) **Letter of Credit.** A letter of credit shall be issued by a reliable bank authorized to do business in Texas and shall become effective on or before the date the permit is issued. The letter of credit shall remain in force and effect for at least a period of six (6) months after the expiration of the permit term or until the well is plugged and abandoned and the site is restored, whichever occurs last. The City shall be authorized to draw upon such letter of credit to recover any fines or penalties or costs to remedy assessed under this article. Evidence of the execution of a letter of credit shall be submitted to the City by submitting an original signed letter of credit from the banking institution, with a copy of the same provided to the City Secretary.
  - (3) The principal amount of any security instrument shall be fifty thousand dollars (\$50,000.00) for any single well. If, after completion of a well, the applicant/operator, who initially posted a fifty thousand dollars (\$50,000.00) bond, has complied with all of the provisions of this article and whose well in the producing stage and all drilling operations have ceased, may submit a request to the City to reduce the existing bond to ten thousand dollars (\$10,000.00) for the remainder of the time the well

produces without reworking. During reworking operations, the amount of the bond or letter of credit shall be maintained at fifty thousand dollars (\$50,000.00). If at any time after no less than a fifteen (15) day written notice to the operator and a public hearing, the City Council shall deem any operator's bond or letter of credit to be insufficient, it may require the operator to increase the amount of the bond or letter of credit up to a maximum of two hundred fifty thousand dollars (\$250,000.00) per well.

- (4) Whenever the City finds that a default has occurred in the performance of any requirement or condition imposed by this article, a written notice shall be given to the operator. Such notice shall specify the work to be done, the estimated cost and the period of time deemed by the City to be reasonably necessary for the completion of such work. After receipt of such notice, the operator shall, within the time therein specified, either cause or require the work to be performed, or failing to do so, shall pay over to the City one hundred twenty-five percent (125%) of the estimated cost of doing the work as set forth in the notice. In no event, however, shall the cure period be less than thirty (30) days unless the failure presents a risk of imminent destruction of property or injury to persons or unless the failure involves the operator's failure to provide periodic reports as required by this article. The City shall be authorized to draw against any irrevocable letter of credit or bond to recover such amount due from the Operator. Upon receipt of such monies, the City shall proceed by such mode as deemed convenient to cause the required work to be performed and completed, but no liability shall be incurred other than for the expenditure of said sum in hand. In the event that the well has not been properly abandoned under the regulations of the Commission, such additional money may be demanded from the operator as is necessary to properly plug and abandon the well and restore the drill site in conformity with the regulations of this article.
- (5) In the event the operator does not cause the work to be performed and fails or refuses to pay over to the City the estimated cost of the work to be done as set forth in the notice, or the issuer of the security instrument refuses to honor any draft by the City against the applicable irrevocable letter of credit or bond the City may proceed to obtain compliance and abate the default by way of civil action against the operator, or by criminal action against the operator, or by both such methods.
- (6) When the well or wells covered by said irrevocable letters of credit or bond have been properly abandoned in conformity with all regulations of this article, and in conformity with all regulations of the Commission and notice to that effect has been received by the City, or upon receipt of a satisfactory substitute, the irrevocable letter of credit or bond issued in compliance with these regulations shall be terminated and cancelled.

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

(1) *General requirements applicable to all policies.*

- a. The City, its officials, employees, agents and officers shall be endorsed as an "additional insured" to all policies except employer's liability coverage under the operator's workers compensation policy.
- b. All policies shall be written on an occurrence basis except for environmental pollution liability (seepage and pollution coverage) and excess or umbrella liability, which may be on a claims-made basis.
- c. All policies shall be written by an insurer with an A-: VIII or better rating by the most current version of the A.M. Best Key Rating Guide or with such other financially sound insurance carriers acceptable to the City.
- d. Deductibles shall be listed on the certificate of insurance and shall be on a "per occurrence" basis unless otherwise stipulated herein.
- e. Certificates of insurance shall be delivered to the City Secretary, City of Lake Jackson, 25 Oak Drive, Lake Jackson, Texas 77566, evidencing all the required coverage's, including endorsements, prior to the issuance of a permit.
- f. All policies shall be endorsed with a waiver of subrogation providing rights of recovery in favor of the City.
- g. Any failure on part of the City to request required insurance documentation shall not constitute a waiver of the insurance requirement specified herein.
- h. Each policy shall be endorsed to provide the City a minimum thirty (30) day notice of cancellation, non-renewal, and/or material change in policy terms or coverage. A ten (10) days notice shall be acceptable in the event of non-payment of premium.

- i. During the term of the permit, the operator shall report in no more than ten (10) days to the City any known loss occurrence which could give rise to a liability claim or lawsuit or which could result in a property loss.
  - j. Upon request, certified copies of all insurance policies shall be furnished to the City.
- (2) *Standard commercial general liability policy.* This coverage must include premises, operations, blowout or explosion, products, completed operation, sudden and accidental pollution, blanket contractual liability, underground resources damage, broad form property damage, independent contractors protective liability and personal injury. This coverage shall be a minimum combined single limit of one million dollars (\$1,000,000.00) per occurrence location for bodily injury and property damage.
- (3) *Excess or umbrella liability.* Five million dollars (\$5,000,000.00) excess, if the operator has a stand-alone environmental pollution liability (EPL) policy. Ten million dollars (\$10,000,000.00) excess, if the operator does not have a stand-alone EPL policy. Coverage must include an endorsement for sudden or accidental pollution. If seepage and pollution coverage is written on a "claims made" basis, the operator must maintain continuous coverage and purchase extended coverage period insurance when necessary.
- (4) *Environmental pollution liability coverage.* Operator shall purchase and maintain in force for the duration of the permit, insurance for environmental pollution liability applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense or settlement of claims; all in connection with any loss arising from the insured site. Coverage shall be maintained in an amount of at least one million dollars (\$1,000,000.00) per loss, with an annual aggregate of at least ten million dollars (\$10,000,000.00.)
  - a. Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants.
  - b. The operator shall maintain continuous coverage and shall purchase extended coverage period insurance when necessary. The extended coverage period insurance must provide that any

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

- (5) *Control of well.* The policy should cover the cost of controlling a well that is out of control, re-drilling or restoration expenses, seepage and pollution damage as first party recovery for the operator and related expenses, including, but not limited to, loss of equipment, experts and evacuation of residents. Five million dollars (\$5,000,000.00) per occurrence/no aggregate, if available, otherwise an aggregate of ten (10) million dollars (\$10,000,000.00). Five hundred thousand dollars (\$500,000.00) sub-limit endorsement may be added for damage to property for which the operator has care, custody and control.
- (6) *Workers compensation and employers liability insurance.* Workers compensation benefits shall be Texas statutory limits. Employers' liability shall be a minimum of five hundred thousand dollars (\$500,000.00) per accident. Such coverage shall include a waiver of subrogation in favor of the City and provide coverage in accordance with applicable state and federal laws.
- (7) *Automobile liability insurance.* Combined single limit of one million dollars (\$1,000,000.00) per occurrence for bodily injury and property damage. Coverage must include all owned, hired and not-owned automobiles.
- (8) *Certificates of insurance.* The company must be admitted or approved to do business in the State of Texas, unless the coverage is written by a Surplus Lines insurer. The insurance set forth by the insurance company must be underwritten on forms that have been approved by the Texas State Board of Insurance or ISO (Insurance Services Office), or an equivalent policy form acceptable to the City, with the exception of environmental pollution liability and control of well coverage. Sets forth all endorsements and insurance coverage according to requirements and instructions contained herein. Shall specifically set forth the notice of cancellation, termination, or change in coverage provisions to the City. All policies shall be endorsed to read "THIS POLICY WILL NOT BE CANCELLED OR NON-RENEWED WITHOUT THIRTY (30) DAYS ADVANCED WRITTEN NOTICE TO THE OWNER AND THE CITY EXCEPT WHEN THIS POLICY IS BEING CANCELLED FOR NONPAYMENT OF PREMIUM, IN WHICH CASE TEN (10) DAYS ADVANCE WRITTEN NOTICE IS REQUIRED." Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.
- (9) *Notice.* The individual designated to receive notice shall be a resident of Texas upon whom all orders and notices provided in this article may be served in person or by registered or certified mail. Every operator shall

within ten (10) days notify the City in writing of any change in such agent or mailing address unless operations in the City are discontinued and abandonment is complete.

**Sec. 38-113 On Site and Technical Regulations.**

- (a) *Abandoned wells.* All wells shall be abandoned in accordance with the rules of the Railroad Commission; however, all well casings shall be cut and removed to a depth of at least ten feet (10') below the surface unless the surface owner submits a written agreement otherwise. No structures shall be built over an abandoned well.
- (b) *Blowout prevention.* In all cases, blowout prevention equipment shall be used on all wells being drilled, worked-over or in which tubing is being changed. Protection shall be provided to prevent blowout during oil and gas operations as required by and in conformance with the requirements of the Commission and the recommendations of the American Petroleum Institute (API). The operator must equip all drilling wells with adequate blowout preventers, flow lines and valves commensurate with the working pressures involved as required by the Commission. The operator must conduct daily testing of the operation and pressure providing a copy to the City weekly.
- (c) *Chemical and materials storage.* All chemicals and/or hazardous materials shall be stored in such a manner as to prevent, contain, and facilitate rapid remediation and cleanup of any accidental spill, leak, or discharge of a hazardous material. Operator shall have all material safety data sheets (MSDSs) for all hazardous materials on site. All applicable federal and state regulatory requirements for the proper labeling of containers shall be followed. Appropriate pollution prevention actions shall be required and include, but are not limited to, chemical and materials raised from the ground (e.g., wooden pallets), bulk storage, installation and maintenance of secondary containment systems, and protection from stormwater and weather elements.
- (d) *Compliance.* Operator shall comply at all times with all applicable federal, state and City requirements.
- (e) *Discharge.* No person shall place, deposit, discharge, or cause or permit to be placed, deposited or discharged, any oil, naphtha, petroleum, asphalt, tar, hydrocarbon substances or any refuse including wastewater or brine from any oil and gas operation or the contents of any container used in connection with any oil and gas operation in, into, or upon any public right-of-way, alleys, streets, lots, storm drain, ditch or sewer, sanitary drain or any body of water or any private or public property in the City.
- (f) *Drilling fluids.* Low toxicity glycols, synthetic hydrocarbons, polymers, and esters shall be substituted for conventional oil-based drilling fluids.

- (g) *Drill stem testing.* All open hole formation or drill stem testing shall be done during daylight hours. Drill stem tests may be conducted only if the well effluent during the test is produced through an adequate gas separator to storage tanks and the effluent remaining in the drill pipe at the time the tool is closed is flushed to the surface by circulating drilling fluid down the annulus and up the drill pipe.
- (h) *Drip pans and other containment devices.* Drip pans and other containment devices shall be placed or installed underneath all tanks, containers, pumps, lubricating oil systems, engines, fuel and chemical storage tanks, system valves, connections, and any other areas or structures that could potential leak, discharge, or spill hazardous liquids, semi-liquids, or solid waste materials.
- (i) *Dust, vibration, odors.* All drilling and production operations shall be conducted in such a manner as to minimize, so far as practicable, dust, vibration, or noxious odors, and shall be in accordance with the best accepted practices incident to drilling for the production of oil and gas and other hydrocarbon substances. Best accepted practices for ensuring dust suppression shall include designating an operator representative responsible for ensuring that dust is controlled on site, ensuring that a clean water source is available at the site for dust mitigation purposes, and applying fresh water to roads and around the well site to reduce dust. Brine water, sulphur water, or water in mixture with any type of hydrocarbon may not be used for dust suppression. A mud shaker for truck traffic shall be installed with the construction of any access road. All equipment used shall be so constructed and operated so that, vibrations, dust, odor or other harmful or annoying substances or effect will be minimized by the operations carried on at any drilling or production site or from anything incident thereto, to the injury or annoyance of persons living in the vicinity; nor shall the site or structures thereon be permitted to become dilapidated, unsightly or unsafe. Proven technological improvements in industry standards of drilling and production in this area may be adopted as they become available if capable of reducing factors of dust, vibration and odor.
- (j) *Electric lines.* All electric lines to production facilities shall be located in a manner compatible to those already installed in the surrounding area or subdivision.
- (k) *Electric motors.* Only electric prime movers or motors shall be permitted for the purpose of pumping wells. No electric power shall be generated on location. All electrical installations and equipment shall conform to the City's ordinances and the appropriate national codes.
- (l) *Emergency response plan.* Prior to the commencement of any oil and gas or other hydrocarbons production activities, operator shall submit to the City and Fire Marshal an emergency response plan establishing written procedures to minimize any hazard resulting from drilling, completion or producing of oil and

gas wells. Said plan shall use existing guidelines established by the Commission, TCEQ, Texas Department of Transportation and/or the USEPA. The emergency response plan shall be kept current with any additions, modifications, and/or amendments concerning all construction-related activities, operations and production. Updated plans shall be submitted to the City and Fire Marshal within two (2) business days. A copy of the emergency response plan shall be kept on site.

- (m) *Explosive charges.* Under no circumstances shall explosives of any type be used during any phase of drilling, re-drilling, deepening, re-entering, activating, converting, or completing an oil and gas well without the prior consent of the City Council. The operator shall provide notice to the City and Fire Marshal at least ten (10) days prior to such activities. The notice shall identify the date that the explosive charges will be used, the date and means of transporting the explosive charges, and the transportation route to and from the drill and/or operation site that will be used for the delivery of the explosive charges.
- (n) *Fire prevention; sources of ignition.* Firefighting apparatus and supplies as approved by the Fire Marshal and required by any applicable federal, state, or local law shall be provided by the operator, at the operator's cost, and shall be maintained on the drilling site at all times during drilling and production operations. The operator shall be responsible for the maintenance and upkeep of such equipment. Each well shall be equipped with an automated valve that closes the well in the event of an abnormal change in operating pressure. All well heads shall contain an emergency shut off valve to the well distribution line.
- (o) *Gas emission or burning restricted.* No person shall allow, cause or permit gases to be vented into the atmosphere or to be burned by open flame except as provided by law or as permitted by the Commission. If the venting of gases into the atmosphere or the burning of gases by open flame is authorized as provided by law or as permitted by the Commission, then such vent or open flame shall not be located closer than five hundred feet (500') from any building not used in operations on the drilling site and such vent or open flame shall be screened in such a way as to minimize detrimental effects to adjacent property owners.
- (p) *Grass, weeds, trash.* All drill and operation sites shall be kept clear of high grass, weeds, and trash, combustible or otherwise.
- (q) *Lights.* No person shall permit any lights located on any drill or operation site to be directed in such a manner so that they shine directly on public roads, adjacent property or property in the general vicinity of the operation site. To the extent practicable, and taking into account safety considerations, site lighting shall be directed downward and shielded so as to both prevent direct illumination of and minimize glare on public roads and adjacent dwellings and buildings within six hundred feet (600').

- (r) *Muffling exhaust.* Exhaust from any internal combustion engine, stationary or mounted on wheels, used in connection with the drilling of any well or for use on any production equipment shall not be discharged into the open air unless it is equipped with an exhaust muffler, or mufflers or an exhaust muffler box constructed of noncombustible materials sufficient to suppress noise and prevent the escape of obnoxious gases, fumes or ignited carbon or soot.
- (s) *Organic solvents.* Organic solvents, such as trichloroethylene and carbon tetrachloride, shall not be used for cleaning any element, structure, or component of the drilling rig, platform, and/or associated equipment, tools, or pipes. To the maximum extent practicable, high flash point Varsol shall be used.
- (t) *Pipe dope.* Lead-free, biodegradable pipe dope shall be substituted for API specified pipe dope.
- (u) *Pits.* All reserve pits, completion/workover pits, drilling fluid disposal pits, fresh makeup water pits, gas plant evaporation/retention pits, mud circulation pits, or water condensate pits shall be lined with plastic or stored above ground in tanks. The water surface elevation of the pit may not exceed twelve inches (12") above the existing ground elevation prior to any on-site construction of the pit. One (1) foot of freeboard is required between the surface elevation and on top of berm. Such pits and contents shall be removed from the premises and the drilling site within forty (40) days after completion of the well, unless otherwise authorized by the City. No washout pits shall be located within the City, unless all fluid, sludge, solid waste materials, drilling fluids, waste oil, spent completion fluids, all other liquids, semi-liquids, mud, including hazardous waste inseparable by simple mechanical removal processes, and is made up primarily of natural material is immediately captured within a fully enclosed, above ground containment tank.
- (v) *Private roads and drill sites.* Prior to the commencement of any drilling operations, all private roads used for access to the drill site and the operation site itself shall be at least twenty feet (20') wide, have an overhead clearance of fourteen feet (14') and shall be an all-weather hard surface and maintained to prevent dust, mud and rutting. In particular cases these requirements governing surfacing of private roads may be altered at the discretion of the City after consideration of all circumstances including, but not limited to, the following: distances from public streets and highways; distances from adjoining and nearby property owners whose surface rights are not leased by the operation; the purpose for which the property of such owners is or may be used; topographical features; nature of the soil; and exposure to wind.
- (w) *Signs.*
  - (1) A sign shall be immediately and prominently displayed at the gate on the temporary and permanent site fencing erected pursuant to this article. Such sign shall be durable material, maintained in good condition and,

unless otherwise required by the Commission, shall have a surface area of not less than sixteen (16) square feet with contrasting lettering not less than four inches (4) tall and shall be lettered with the following:

- a. Well name and number;
  - b. Name of operator;
  - c. The emergency 911 number; and
  - d. 24 Hour Telephone numbers of two (2) persons responsible for the well who may be contacted in case of emergency.
- (2) Permanent weatherproof signs reading "DANGER NO SMOKING ALLOWED" in both English and Spanish shall be posted immediately upon completion of the well site fencing at the entrance of each well site and tank battery or in any other location approved or designated by the Fire Marshal. Sign lettering shall be four inches (4") in height and shall be red on a white background or white on a red background. Each sign shall include the emergency 9-1-1 number and the operator, well and lease designations required by the Commission.
- (x) *Storage of equipment.* On-site storage is prohibited on the operation site. No equipment shall be stored on the drilling or production operation site, unless it is necessary to the everyday operation of the well. Lumber, pipes, tubing and casing shall not be left on the operation site except when drilling or well servicing operations are being conducted on the site. No vehicle or item of machinery shall be parked or stored on any street, right-of-way or in any driveway, alley or upon any operation site which constitutes a fire hazard or an obstruction to or interference with fighting or controlling fires except that equipment which is necessary for drilling or production operations on the site. The Fire Marshal shall be the entity that determines whether equipment on the site shall constitute a fire hazard. No refinery, processing, treating, dehydrating or absorption plant of any kind shall be constructed, established or maintained on the premises. This shall not be deemed to exclude a conventional gas separator or dehydrator.
- (y) *Storage tanks.* All tanks and permanent structures shall conform to the API specifications unless other or additional specifications are approved by the Fire Marshal. All storage tanks shall be equipped with a secondary containment system including lining with an impervious material. The secondary containment system shall be a minimum of three feet (3') in height and one and one-half (1 1/2) times the contents of the largest tank in accordance with the Fire Code, and buried at least one foot (1') below the surface. Drip pots shall be provided at the pump out connection to contain the liquids from the storage tank. All tanks shall be set back pursuant to the standards of the Commission and the National Fire Protection Association. Each storage tank shall be equipped with a level control

device that will automatically activate a valve to close the well in the event of excess liquid accumulation in the tank. No meters, storage tanks, separation facilities, or other aboveground facilities, other than the well head and flow lines, shall be placed in a floodway identified by FEMA on the most current FIRM. Meters, storage tanks, separation facilities, or other above ground facilities proposed in the floodplain shall be outside of the floodway and shall comply with the requirements for development in the City Design Criteria and Construction Standards Manual.

- (z) *Tank battery facilities.* Tank battery facilities shall be equipped with a remote foam line and a lightning arrestor system.
- (aa) *Surface casing.* Surface casing shall be run and set in full compliance with the applicable rules and regulations of the Commission.
- (bb) *Valves.* Each well must have a shutoff valve to terminate the well's production. The Fire Department shall have access to the well site to enable it to close the shut-off the valve in an emergency.
- (cc) *Waste disposal.* Unless otherwise directed by the Commission, all tanks used for storage shall conform to the following: Operator must use portable closed steel storage tanks for storing liquid hydrocarbons. Tanks must meet the API standards. All tanks must have a vent line, flame arrester and pressure relief valve. All tanks must be enclosed by a fence applicable to the issued permit classification. Drilling mud, cuttings, liquid hydrocarbons and all other field waste derived or resulting from or connected with the drilling, re-working or deepening of any well shall be discharged into an above-ground self-contained tank, or, if authorized by the City Council, a lined pit. All disposals must be in accordance with the rules of the Commission and any other appropriate local, state or federal agency. Unless otherwise directed by the Commission and approved by the City, waste materials shall be removed from the site and transported to an off-site disposal facility not less often than every thirty (30) days. Water stored in on-site tanks shall be removed as necessary. All waste shall be disposed of in such a manner as to comply with the air and water pollution control regulations of the state, this article and any other applicable ordinance of the City.
- (dd) *Watchperson.* The operator must keep a watchman or security personnel on site during the drilling or re-working of a well when other workmen are not on the premises.
- (ee) *Installation of pipelines on, under or across public property.* The operator shall notify the City in accordance with Ch. 95 of the code of ordinances and apply to the City for a right-of-way use agreement in order to operate on, over, under, along or across the City streets, sidewalks, alleys and other City property for the purpose of constructing, laying, maintaining, operating, repairing, replacing and removing pipelines. Operator shall:

- (1) Not interfere with or damage existing water, sewer or gas lines or the facilities of public utilities located on, under or across the course of such rights-of way.
  - (2) Furnish to the City a site plan showing the location of such pipelines.
  - (3) Construct such lines out of pipe in accordance with the City Codes and regulations, including, but not limited to, the Design Criteria and Construction Standards Manual.
  - (4) Grade, level and restore such property to the same surface condition, as nearly as practicable, as existed prior to the laying of the pipeline.
- (ff) *Public streets.* No permit shall be issued for any well to be drilled within any of the streets or alleys of the City and/or projected streets or alleys shown by the current Comprehensive Plan of the City, and no street or alley shall be blocked or encumbered or closed due to any exploration, drilling or production operations unless prior consent is obtained from city council. Any consent from city council shall be temporary in nature and state the number of hours and/or days that any street or alley may be blocked, encumbered or closed.
- (gg) *Vehicle routes for oil and gas well permits.* Vehicles associated with drilling and/or production in excess of one (1) ton shall be subject to the limitations set forth in Section 98-84 of this Code.
- (hh) *Work hours for oil and gas well permits.* Site development, other than drilling shall be conducted only between 7:00 a.m. and 7:00 p.m. Monday through Saturday. Truck deliveries of equipment and materials associated with drilling and/or production, well servicing, site preparation and other related work conducted on the well site shall be limited to between the above same work hour restrictions except in cases of fires, blowouts, explosions, and any other emergencies or where the delivery of equipment is necessary to prevent the cessation of drilling or production. The operator may request an exception from the City Council pursuant to section 38-118 of this article.
- (ii) *Tank specifications for oil and gas well permit.* All tanks and permanent structures shall conform to the API specifications unless other specifications are approved by the Fire Marshal. The top of the tanks shall be no higher than twelve feet (12') above the terrain surrounding the tanks.
- (jj) *Landfarming.* Landfarming shall be prohibited within the City. Except where the temporary containment of drilling mud into appropriate pits is specifically authorized pursuant to this Article, it shall be an offense to landfarm within the City or for any land owner to allow landfarming on any property within the City.

- (kk) *Raw soil.* The raw soil in disturbed areas or embankments around each drill site, operation site, line compressor facility, fracturing pit or open reserve pit, where permitted, shall be seeded or covered with grass to be maintained in a healthy and live-growing condition.
- (ll) *Cleaning of area.* Within 60 days of well completion or reworking a well, the area around the well shall be cleaned and cleared of all material and equipment; holes and excavations shall be filled; and the land shall be graded and returned to its original condition including replanting of vegetation to match the surrounding area.

### **Sec. 38-114. Compressors.**

- (a) Lift compressors.
  - (1) Lift compressors shall meet the noise standards in section 38-116.
  - (2) A lift compressor installed on a site for less than six consecutive months shall be classified as a temporary lift compressor and may employ sound blankets or barriers to meet the noise standards.
  - (3) A lift compressor installed on a site for more than six months shall be classified as a permanent lift compressor. If located within 600 feet of a playground, competition athletic field, picnic area, residence, religious institution, public building, hospital building or schools, or any other building used or designed and intended to be used for human occupancy or a preliminary or final platted residential subdivision, a permanent lift compressor shall be enclosed in an acoustical structure constructed of metal, masonry or other materials as approved by the City. The structure must completely screen the equipment from view, be painted in a non-contrasting neutral earth tone color to match the nearby surroundings as nearly as possible, and meet all applicable building and fire codes.
  - (4) If permanent screening has not been installed around a site, all compressors, associated equipment and buildings shall be enclosed within a landscaped enclosure in accordance with section 38-115 of this article immediately upon installation of the compressor and associated equipment.
  - (5) Secondary containment shall be required around all lift compressors. All secondary containment shall meet the same screening requirements for storage tank facilities in 38-115 of this chapter.
  - (6) All facilities shall be inspected by the Fire Marshal for compliance with the Fire Code and the Gas Well Inspector prior to operation of the compressor.
- (b) Line compressors.
  - (1) Line compressors shall be required to meet all the noise standards in section 38-116.
  - (2) All line compressors and associated equipment exceeding ten feet in height shall be fully enclosed within a building or structure that complies with the architectural and community design standards of the zoning

district in which the facility is located and designed in context with surrounding land uses.

- (3) A bufferyard with a minimum width of 300 feet shall be established and maintained around all line compressors, buildings or structures housing line compressors, and associated equipment. A drill site or operation site shall be permitted within the bufferyard when such site abuts a compressor facility.
- (4) All facilities shall be inspected by the Fire Marshal for compliance with the Fire Code and the Gas Well Inspector prior to operation of the compressor.
- (5) Line compressors and associated equipment shall be landscaped and screened in the same manner as prescribed for a drill site according to 38-115.

### **Sec. 38-115 Screening**

- (a) Throughout the entire exploration, drilling, and production process there shall be screening improvements (fences, walls, berms and landscaping) required during each phase of the process.

(1) *Exploration through completion (drilling phase)* - A temporary chain link fence with all weather screening fabric at least six feet (6') in height shall be established around the entire operation site to obscure view of the oil and gas drilling activities. A secured entrance gate shall be required. All gates are to be kept locked when the operator or his or her employees are not within the enclosure. The site must have a key override switch and a radio operated controller to allow emergency vehicles access to the well site, which shall be used only in case of an emergency.

(2) *(Completion through abandonment (production phase)* – Prior to commencing the completion phase, the Operator shall prepare a site plan detailing the screening proposed at the site. The site plan shall be submitted to the City in accordance with the provisions of section 90-34 et seq. of this Code and the proposed screening shall conform to the following minimum requirements:

- a. A masonry wall with landscaping shall be required to enclose and visually screen the well and all associated equipment. The masonry wall material and design shall be generally compatible with the design of similar facilities, buildings and structures on and/or adjacent to the site.
- b. Masonry walls shall be at least eight feet (8') in height.

- c. Masonry walls shall be placed upon earthen berms in order to prevent viewing of the well and associated equipment from a public street, existing residences and residentially zoned undeveloped property contiguous to the well site where practicable as determined by the City. However, berms shall not be required unless needed to augment the height of an eight (8') foot masonry wall in order to screen the viewing of the well or any associated equipment from the above items.
  - d. All landscape improvements shall be maintained in an attractive and healthy state by the applicant and/or operator as to ensure the effective visual screening of the site throughout its use for oil and gas production and associated activities.
  - e. Screening shrubs and trees shall be evergreen species and shall be installed in conjunction with the required masonry walls and or berms in order to supplement both the visual screening and noise mitigation of the well site and associated equipment. Screening shrubs shall be a minimum of five feet (5') in height at planting, having the potential to grow to a mature height of at least eight feet (8'), be planted on four foot (4') centers and must have an irrigation system that provides total water coverage to all plant materials. Screening trees shall be planted on twenty foot (20') centers. Trees must be a minimum of three inch (3") caliper at time of planting and be irrigated as above. Plans for landscape and irrigation shall be submitted to the City for approval.
- (b) Gate specifications. All temporary fences and masonry walls shall be equipped with at least one (1) gate. The gate shall meet the following specifications:
- (1) Each gate shall be not less than twelve feet (12') wide and be composed of two (2) gates, each of which is not less than six feet (6') wide, or one (1) sliding gate not less than twelve feet (12') wide. If two (2) gates are used, gates shall latch and lock in the center of the span;
  - (2) The gates shall be of chain link construction, with all-weather screening fabric, that meets the applicable specifications, or of other approved material that, for safety reasons, shall be at least as secure as a chain link fence;
  - (3) The gates shall be provided with a combination catch and locking attachment device for a padlock, and shall be kept locked except when being used for access to the site; and

- (4) Operator must provide emergency vehicle access by using a key override switch and a radio operated controller to access the well site, which shall be used only in case of an emergency.

(c) *Cameras.* After permanent screening is in place, a minimum of one security camera shall be mounted inside the enclosure. Signs shall be posted on the fence or wall of the site to indicate that activity on the site may be recorded. The operator shall maintain the video data for at least 72 hours. Upon request by the City Manager, his designee, or law enforcement official, provide the City with access to the video. The camera system shall be designed to meet the following requirements:

- (1) Capture clear video images of all traffic entering and exiting the gate;
- (2) Capture clear video images of all production equipment located on the site;
- (3) Be able to pan to any motion detected on site;
- (4) Show the date and time of all activity on the video footage; and
- (5) Be capable of being viewed on site.

### **Sec. 38-116 Noise.**

- (a) Prior to the issuance of a permit, the operator shall request a sound level measurement from the City. The City shall hire a technical advisor under section 38-119 to take ambient noise readings taken over a 72 hour period, including at least one 24 hour reading during a Saturday or Sunday. During the 72 hour period, readings shall be taken from the hours of 7:00 a.m. to 7:00 p.m. to establish the pre-drilling or pre-installation ambient noise level for daytime operations and from the hours of 7:00 p.m. to 7:00 a.m. to establish the pre-drilling or pre-installation ambient noise level for any nighttime operations.
- (b) The exterior noise level generated by any operations (including, but not limited to, drilling, re-drilling, production, hydraulic fracturing, and flowback) or any compressor facility shall not exceed the pre-drilling or pre-installation ambient noise level by more than five decibels for daytime operations and shall not exceed the pre-drilling or pre-installation ambient noise level by more than three decibels for nighttime operations at 300 feet or at the nearest residence, religious institution, public building, school, retail or commercial building, city park, state water or hospital building whichever is closest to the source.
- (c) An operator shall not drill or re-drill a well or operate any equipment in such a manner so as to create pure tones where one-third octave band sound-pressure level in the band with the tone exceeds the arithmetic average of the sound-pressure levels of two contiguous one-third octave bands by five dB for center frequencies of 500 Hertz and above, and by eight dB for center frequencies between 160 and 400 Hertz, and by 15 dB for center frequencies less than or equal to 125 Hertz.
- (d) Prior to the issuance of a gas well permit and the commencement of operations, the

operator shall submit a noise management plan, approved by the city, detailing how the equipment used in the drilling, completion, transportation, or production of a well complies with the maximum permissible noise levels of this section. The operator shall be responsible for verifying compliance with this section and the noise management plan after the installation of any noise generating equipment.

- (e) A citation may be issued immediately for failure to comply with the provisions of this section. However, if the operator is in compliance with the approved noise management plan, and a violation still occurs, the operator will be given 24 hours from notice of non-compliance to correct the violation from an identified source before a citation is issued. Additional extensions of the 24-hour period may be granted in the event that the source of the violation cannot be identified after reasonable diligence by the operator.
- (f) Exhaust from any internal combustion engine or compressor, stationary or mounted on wheels, used in connection with the drilling of any well or for use on any production equipment shall not be discharged into the open unless equipped with a hospital grade exhaust muffler or mufflers.
- (1) Air, gas, or pneumatic drilling is not allowed.

### **Sec. 38-117 Cleanup and Maintenance**

- (a) *Cleanup after well servicing.* After the well has been completed or plugged and abandoned, the operator shall clean the drill site or operation site, complete restoration activities and repair all damage to public property caused by such operations within sixty (60) days.
- (b) *Clean-up after spills, leaks and malfunctions.* After any spill, leak or malfunction, the operator shall remove or cause to be removed to the satisfaction of the Fire Marshal and the City all waste materials from any public or private property affected by such spill, leak or malfunction. Clean-up operations must begin immediately. If the owner fails to begin site clean-up within twenty-four (24) hours, the City shall have the right to contact the Commission in order to facilitate the removal of all waste materials from the property affected by such spill, leak or malfunction.
- (c) *Painting.* All production equipment shall be painted and maintained at all times, including wellheads, pumping units, tanks, and buildings or structures. When requiring painting of such facilities, the City shall consider the deterioration of the quality of the material of which such facility or structure is constructed, the degree of rust, and its appearance. Paint shall be of a neutral color, compatible with surrounding uses. Neutral colors shall include sand, gray and unobtrusive shades of green, blue and brown, or other neutral colors approved by the city manager.

- (d) *Blowouts.* In the event of the loss of control of any well, operator shall immediately take all reasonable steps to regain control regardless of any other provision of this article and shall notify the City Manager and Fire Marshal as soon as practicable. If the City Manager, in his opinion, believes that danger to persons and property exists because of such loss of well control and that the operator is not taking or is unable to take all reasonable and necessary steps to regain control of such well, the City may then employ any well control expert or experts or other contractors or suppliers of special services, or may incur any other expenses for labor and material which the City deems necessary to regain control of such well. The City shall then have a valid lien against the interest in the well of all working interest owners to secure payment of any expenditure made by the City pursuant to City action taken to gain control of said well.
- (e) *Right-of-way.* The operator shall immediately notify the City of any accumulations of dirt, dust, mud, or other debris deposited on public rights-of-way by vehicles involved in the well drilling or pipeline installation. If the City elects to clean the rights-of-way, the cost of the removal shall be paid by the operator.

**Sec. 38-118 Plugged and Abandoned Wells.**

- (a) *Surface requirements for plugged and abandoned well.* Whenever abandonment occurs pursuant to the requirements of the Commission, the operator so abandoning shall be responsible for the restoration of the well site to its original condition as nearly as practicable, in conformity with the regulations of this article.
- (b) Abandonment shall be approved by the City after restoration of the drill and/or operation site has been accomplished in conformity with the following requirements at the discretion of the City:
  - (1) The derrick and all appurtenant equipment thereto shall be removed from the site;
  - (2) All tanks, towers, and other surface installations shall be removed from the site;
  - (3) All concrete foundations, piping, wood, guy anchors and other foreign materials regardless of depth, except surface casing, shall be removed from the site, unless otherwise directed by the Commission;
  - (4) If any soil was contaminated, it shall be removed from the site in accordance with City, State and Federal regulations.
  - (5) All holes and depressions shall be filled with clean, compactable soil;

- (6) All waste, refuse or waste material shall be removed from the site; and
  - (7) During abandonment, operator shall comply with all applicable sections in this article.
- (c) *Abandoned well requirement.* The operator shall furnish the following to the City:
- (1) A copy of the approval of the Commission confirming compliance with all abandonment proceedings under the state law; and
  - (2) A notice of intention to abandon under the provisions of this section and stating the date such work will be commenced. Abandonment may then be commenced on or subsequent to the dates so stated.
- (d) *Abandonment requirements prior to new construction.* All abandoned or deserted wells or drill sites shall meet the most current abandonment requirements of the Commission prior to the issuance of any building permit for development of the property. No structure shall be built over an abandoned well.
- (e) The Operator can only abandon a well if the City has reviewed and approved the abandonment.

### **Sec. 38-119 Technical Advisor**

The City may from time to time employ a technical advisor or advisors who are experienced and educated in the oil and gas industry or the law as it pertains to oil and gas matters. The function of such advisor(s) shall be to advise, counsel or represent the City on such matters relating to oil and gas operations within the City as the City may want or require and the effect thereof, both present and future, on the health, welfare, comfort and safety of the citizens of the City. In the event such technical advisor(s) is (are) employed for the purpose of advising, counseling or representing the City relative to an operator's unique and particular set of circumstances, case or request relating to this article, then the cost for such services of such technical advisor(s) shall be assessed against and paid for by such operator in addition to any fees or charges assessed pursuant to this article. Prior to the employment of a technical advisor, the City shall inform the operator of the intended scope of work and the estimated costs and expenses. The employment of a technical advisor shall be approved by the City Council.

### **Sec. 38-120 Appeals**

- (a) In accordance with sections 38-108, 38-109 and 38-110 of this article, the City Council shall have and exercise the power to hear and determine appeals where it is alleged there is error or abuse of discretion regarding the issuance of an oil and gas well permit or the revocation or suspension of any oil and gas well permit issued hereunder. Any person or entity whose application is denied,

suspended or revoked may, within thirty (30) days of the date of the written decision of the City, file an appeal to the City Council in accordance with the following procedure:

- (1) An appeal shall be in writing and shall be filed with the City Secretary. The grounds for appeal must be set forth specifically and the error described by the appellant.
  - (2) Within forty-five (45) days of receipt of the records the City Secretary shall transmit all papers involved in the proceeding, place the matter on the City Council agenda for hearing and give notice by mail of the time, place and purpose thereof to appellant and any other party who has requested in writing to be so notified.
  - (3) Written notice of an appeal before the City Council shall be sent to owners of real property lying within three hundred (300) feet of the property on which the appeal is proposed, such notice to be given not less than ten (10) days before the date set for the appeal hearing to all such owners who have rendered their property for city taxes as the ownership appears on the last approved city tax roll.
- (b) In accordance with sections 38-106, 38-113 and 38-118 of this article, the City Council shall have and exercise the power to hear and determine appeals for deviations from well setback, hours of operation, waste disposal, landscaping and screening requirements. An appeal under this subsection (b) may be filed by the applicant at any time.
- (c) In order to grant the relief requested under subsection (a) or (b) a simple majority vote of the City Council is required; provided, however, that a finding of error or abuse of discretion is additionally required to grant relief under subsection (a) of this section.
- (c) Appeal fees shall be required for every appeal in the amount of five hundred (\$500) dollars.

### **Sec. 38-121 Penalty**

- (a) It shall be unlawful and an offense for any person to do the following:
- (1) Engage in any activity not permitted by the terms of an oil and gas well permit issued under this article.
  - (2) Fail to comply with any condition set forth in an oil and gas well permit issued under this article; or
  - (3) Violate any provision or requirement set forth under this article.

- (b) Any violation of this article shall be punished by a fine as set out in section 1-5 of the Code of Ordinances. Each day that a violation exists shall constitute a separate offense.
- (c) The penalty provided herein shall be cumulative of other remedies provided by state law, including but not limited to, the recovery of civil penalties under Subchapter B, Chapter 54, of the Texas Local Government Code. The City may institute any appropriate action or proceeding in a court of competent jurisdiction to enjoin the violation of this article. The power of injunction may be exercised in enforcing this article whether or not there has been a criminal complaint filed.

**Section 2:** All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

**Section 3:** A violation of this ordinance shall be a Class C misdemeanor and the penalty for violating this ordinance shall be as provided for in Sec. 1-5 of the Code of Ordinances of the City of Lake Jackson.

**Section 4:** If any part or portion of this ordinance shall be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any remaining portions or provisions of this ordinance.

**Section 5:** The City Secretary shall publish the caption of this ordinance within ten (10) days of final passage in the official newspaper of the City. This ordinance shall take effect and be in force five (5) days after publication in accordance with Section 3-15 of the Charter of the City of Lake Jackson, Texas.

**PASSED** on the first reading this 7th day of March 2016.

**PASSED AND APPROVED** on second reading this 21<sup>st</sup> day of March 2016.

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**Joe Rinehart, Mayor**

**ATTEST:**

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**Alice A. Rodgers**  
**City Secretary**

**APPROVED AS TO FORM:**

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**Sherri Russell**  
**City Attorney**