

ORDINANCE NO. 1852

AN ORDINANCE REPLACING THE CURRENT CHAPTER 40, "GAS DRILLING AND PRODUCTION," OF THE CODE OF ORDINANCES OF THE CITY OF EULESS, TEXAS, WITH A NEW CHAPTER 40, "GAS DRILLING AND PRODUCTION," REGULATING THE DRILLING AND PRODUCTION OF GAS WELLS WITHIN THE CITY OF EULESS, TEXAS, TO PROVIDE REVISED REGULATIONS REGARDING DISTANCE, NOISE, AND GAS PIPELINES, AND TECHNICAL PROVISIONS; AMENDING CHAPTER 30, "FEES," SECTION 30-45, "GAS WELL PERMIT AND CONTRACT FEES,"; PROVIDING FOR A FINE OF UP TO \$2,000 FOR EACH VIOLATION OF THIS ORDINANCE; PROVIDING THIS ORDINANCE BE CUMULATIVE; PROVIDING FOR SEVERABILITY, GOVERNMENTAL IMMUNITY, INJUNCTIONS, PUBLICATION, AND EFFECTIVE DATE.

WHEREAS, on March 8, 2005, the City Council adopted Ordinance Number 1679 regulating gas drilling within the city limits of the City of Euless, Texas; and

WHEREAS, there has been increased interest in gas drilling and production within the City of Euless; and

WHEREAS, the City of Euless currently requires a permit for gas drilling and production within any zoning district, but does not have comprehensive regulations concerning drilling and production of gas within the city limits or regulating pipelines within the city limits; and

WHEREAS, the City Council finds that the drilling and production of gas within the city limits on public or private property without comprehensive regulations could affect the health, safety and welfare of its citizens; and

WHEREAS, the City Council deems it necessary to enact required comprehensive regulations for the drilling and production of gas and for gas pipelines on public or private property within the city limits; and

WHEREAS, the City Council also directed staff to study the continued impact of the use of city roads, pipelines and gas well development issues and recommend revisions to the ordinance to address these concerns; and

WHEREAS, the federal Pipeline Safety Act was enacted in 1994 to prescribe minimum safety standards for pipeline transportation and pipelines facilities and as such, in the area of natural gas, cities are preempted from establishing safety standards for pipelines facilities or pipeline transportation; and

WHEREAS, through the Pipeline Safety Act, the Texas Utilities Code gives the Texas Railroad Commission exclusive jurisdiction over safety standards related to pipelines and intrastate gas transportation, but allows municipalities to adopt standards governing the installation and maintenance of pipelines in certain areas; and

WHEREAS, in accordance with Section 121.202 of the Texas Utilities Code, municipalities can adopt standards regarding pipelines and pipelines facilities related to mapping, inventorying or relocating pipelines over, under, along, or across a public street or alley or private residential areas in the boundaries of a municipality; and

WHEREAS, the City Council deems it advisable to adopt standards governing the installation and maintenance of pipelines and pipeline facilities in these permitted areas to ensure the compatibility of pipelines to the surrounding uses, reduce associated noise, maintain property values, and protect the quality of life by minimizing the impact of pipelines and related facilities on the citizens of the City of Euless.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EULESS, TEXAS:

SECTION 1

THAT Chapter 40, "Gas Drilling and Production" of the Code of Ordinances of the City of Euless, Texas, is hereby amended in its entirety to hereafter be and read as follows:

ARTICLE I - GENERAL PROVISIONS

Section 40-1. Short Title

This Chapter shall be known and cited as the Gas Drilling and Production Chapter.

Section 40-2. Purpose

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

To the extent that any provision of this Chapter might be inconsistent or in conflict with the specific provisions of any other Ordinance of the City, this Chapter shall control with regard to the conflict.

ARTICLE II - DEFINITIONS

Section 40-3. Definitions

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

“Abandonment” means “abandonment” as defined by the Railroad Commission of Texas and includes the plugging of the well and the restoration of any well site as required by this Chapter.

“Affiliate” means any individual, partnership, association, joint stock company, limited liability company, trust, corporation or other person or entity who owns or controls, or is owned or controlled by, or is under common ownership or control with, the entity in question.

“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 structure which is built for the support, shelter, or enclosure or partial enclosure of persons, animals, chattels, or movable property of any kind including pools.

“Cathodic Protection” means an electrochemical corrosion control technique accomplished by applying a direct current to the structure that causes the structure potential to change from the corrosion potential to a protective potential in the immunity region. The required cathodic protection current is supplied by sacrificial anode materials or by an impressed current system.

“Church” means a facility or area for people to gather together for public worship, religious training, or other religious activities including a temple, mosque, synagogue, convent, monastery or other structure, together with its accessory structures, including a parsonage or rectory. This use does not include home meetings or other religious activities conducted in a privately occupied residence.

“City” means the City of Euless.

“City Code” means the Code of Ordinances of the City.

“City Attorney” means the City Attorney of the City.

“City Council” means the elected governing body for the City.

“City Manager” means the City Manager of the City.

“Closed Loop System” means a series of tanks including filters, separators and shakers on the discharge side of the drilling process that contains by-products of drilling such as cuttings and earthen materials to contain the by-products and recycle useable materials for reuse in the drilling process.

“Commercial Structure” means all buildings which require the issuance of a Certificate of Occupancy from the City in order to be used for human occupancy.

“Completion of Drilling, Re-drilling and Re-working” means the date the work is completed for the drilling, re-drilling, flowback or re-working operations and the crew is released by completing their work or contract or by their employer.

“Compressor” means a device or facility that raises the pressure of natural gas and/or by-products. Compressors are any devices that create a pressure differential to move or compress a vapor or a gas. Any such device used alone or in series to adequately compress a gas are considered a compressor.

“Compressor Station” means a facility or location that contains a compressor or compressors to facilitate the movement of natural gas and/or it’s by-products through a pipeline.

“Customer” means any Person located within or conducting business in whole or in part within the City.

“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 gas.

“Drilling” means digging or boring a new well for the purpose of exploring for, developing or producing gas or other hydrocarbons, 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 or re-working of a well or wells located there and subsequent life of a well or wells or any associated operation.

“Emergency Response Plan” means a plan that is 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 gas or other subsurface hydrocarbons.

“FEMA” means the Federal Emergency Management Agency.

“Fire Department” means the Fire Department of the City.

“Fire Marshal” means the Fire Marshal of the City or their designee.

“Flaring” means to burn off gas during the flow back stage. The process includes a series of secured piping to facilitate the flow of gas and a combustion chamber to ignite the gas.

“Flow Back Operations” includes work over and other means necessary to expel water from the drilling hole in order to facilitate the production of gas.

“Fracturing” means the injecting of a fluid into a well to cause pressure that “cracks” or opens up fractures already present in the formation.

“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.

“Gas Monitor” means a device approved by the City that monitors the air for specific gases and will sound an alarm and/or transmit a signal to an offsite monitoring facility when specific gases are detected in the air.

“Gas Well” means any well drilled, to be drilled, or used for the intended or actual production of natural gas.

“Gas Well Pad Site” means any area designated as the location used during the drilling or re-working of a well or wells and subsequent life of a well or wells or any associated operation.

“Hospital” means a facility or area for providing health services primarily for human in-patient medical or surgical care for the sick or injured and including related facilities such as laboratories, out-patient departments, training facilities, central services facilities and staff offices that are an integral part of the facilities.

“Inspection Services Provider(s)” means the City Manager’s designee to provide Gas Well Inspection Services.

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

“Operator” means, for each well, the person listed on the appropriate Railroad Commission forms for a gas 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 a gas lease of any premises affected by the provisions of this Chapter, then such lessee shall also be deemed to be an Operator. In the event that there is no gas lease relating to any premises affected by this Chapter, the owner of the fee mineral estate in the premises shall be deemed an Operator.

“Perforation” and perforate means to create holes in the casing or liner to achieve efficient communication between the reservoir and the wellbore.

“Permit” means any written license granted by the City for the exploration, development, and production of gas wells issued pursuant to the rules and regulations of this Chapter.

“Person” means an individual, person, firm, partnership, co-partnership, affiliate, corporation, society, company, association, joint stock association, or body politic, and includes a trustee, receiver, assignee, administrator, executor, guardian, or other representative; and shall include both singular and plural and the masculine shall include the feminine gender.

“Pipeline(s)” means the pipeline(s) and other facilities approved by the City that are installed by the Pipeline Company in the Public Rights-of-Way in accordance with a Right-of-way Use Agreement.

“Pipeline Company” means the company authorized by an Agreement to install and maintain gas pipelines within the City’s Public Right-of-Way.

“Production” means the period after the fracturing and flow back operations have been completed and natural gas has been run through a series of separators and tank batteries to metering devices and into the pipeline.

“Public Building” means all buildings used or designed 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 are not limited to, theaters, assembly halls, auditoriums, funeral homes, gymnasiums, bowling alleys, courtrooms, jails, restaurants, churches, schools, and hospitals.

“Public Parks, Playground, or Golf Course” means a facility or area for recreational, cultural or aesthetic use owned or operated by a public agency and available to the general public. This definition may include, but is not limited to, lawns, decorative planting, walkways, active and passive recreation areas, playgrounds, fountains, swimming pools, wooded areas, and water courses. The properties to which this definition refers to must be specifically dedicated, deeded or platted as public park, playground or golf course.

“Railroad Commission” means the Railroad Commission of Texas.

“Re-drill” means re-completion of an existing well by deepening or sidetrack operations extending more than one hundred fifty (150’) feet from the existing well bore.

“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 a Gas Well Permit is filed with the Inspector.

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

“Rig Up” means the drilling rig is on site and active preparations have commenced and are continuing towards placing the drilling rig into operation.

“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 a 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.

“Right-of-Way Use Agreement” means the authorization issued to the Company to use the Public Rights-of-Ways for (a) the construction, installation, maintenance and repair of Company’s Pipeline; (b) the use of such Pipeline for the transportation of gas; and (c) any other directly related uses of the Public Rights-of-Ways pursuant to and in accordance with a Right-of-Way Use Agreement.

“Road Repair Agreement” means a written agreement provided by or approved by the City obligating the Operator, at his own expense, to repair damage, excluding ordinary wear and tear, if any, including but not limited to, Public Rights-of-Ways, pursuant to and in accordance with a Right-of-Way Use Agreement.

“School” means any public or private primary or secondary facility providing education through and including the twelfth grade as well as any licensed day care centers, meaning any facility licensed by the State of Texas for purposes of providing care, training, education, custody, treatment or supervision for more than six (6) children under fourteen (14) years of age for less than twenty four (24) hours per day including after school and summer programs.

“Street” means any public thoroughfare dedicated to the public use and not designated as an alley or private access easement.

“**Tank**” means a container, covered or uncovered, used in conjunction with the drilling or production of gas or other hydrocarbons for holding or storing fluids.

“**Technical Advisor**” means such person(s) familiar with and educated in the gas industry or the law as it relates to gas matters who may be retained from time to time by the City.

“**Truck Route**” means a designated route for commercial vehicles as designated by the City.

“**Watchman**” means a regular or contract employee of the Operator or Pipeline Company whose sole purpose is to monitor conditions on the property, protect the property from unauthorized entry or tampering, and provide for the safety and security of the property, employees and the surrounding community.

“**Well**” means a hole or holes, bore or bores, 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 gas, or other hydrocarbons from the earth.

“**Wire Line Logging**” means the use of radioactive isotopes or hazardous materials which are used when measuring formations within the immediate vicinity of the drilling hole.

ARTICLE III - INSPECTION

Section 40-4. Inspection

- A. The City Manager may designate an official, enter into a contract for professional services, or enter into an Interlocal Agreement with a governmental unit, in order to enforce the provisions of this Chapter, who shall be known as the Inspection Services Provider(s). The Inspection Services should be performed by an individual, preferably with a degree in petroleum engineering with a background in drilling and production or demonstrate a proven background in the drilling, production, and operation of gas wells. The Inspection Services Provider(s) shall have the authority to issue any orders or directives required to carry out the intent and purpose of this Chapter and its particular provisions. The Inspection Services Provider(s) shall ensure the drilling site meets all site plan conditions as approved in the drilling permit. The Inspection Services Provider(s) shall have the authority to approve minor changes to the site plan in order to facilitate conditions conducive to operations as long as they do not conflict with this ordinance and are followed up within twenty four (24) hours by a change notice in writing to the Planning and Development Department and the Fire Department.

Any major or significant change in the site plan layout shall require an amended permit submittal and approval by the City.

For the purposes of this Section, the term "Inspection Services Provider(s)" includes and refers to those employees of the City who are charged with or who are responsible for any aspect of enforcement, inspection or code compliance under this Chapter as well as those persons who may have emergency response duties on the site during an emergency condition or recovery from an emergency.

- B. The Inspection Services Provider(s) shall have the authority to enter and inspect any premises covered by the provisions of this Chapter to determine compliance with the provisions of this Chapter and all applicable laws, rules, regulations, standards or directives of the City, State or Federal Government. Failure of any person to permit access to the Inspection Services Provider(s) shall constitute a violation of this Chapter. The Inspection Services Provider(s) may conduct periodic inspections of all permitted wells in the City to determine that the wells are operating in accordance within proper safety parameters as set out in this Chapter and all regulations of the Railroad Commission.
- C. The Inspection Services Provider(s) shall have the authority to request and receive any records, including any records sent to the Railroad 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 Gas Well Permit.

ARTICLE IV - AGENT

Section 40-5. 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 Chapter may be served in person or by registered or certified mail. Every Operator so designating such agent shall within ten (10) days notify the Inspection Services Provider(s) in writing of any change in such agent or such mailing address unless operations within the City are discontinued.

ARTICLE V - SEISMIC SURVEY REQUIREMENTS

Section 40-6. Seismic Survey Requirements

The City shall be notified prior to any seismic surveys being conducted in the City. No seismic survey shall be conducted in any Right-of-Way unless the applicant can provide proof of lease of mineral property within two hundred feet (200') of the Right-of-Way on which the survey is to be conducted and a permit is issued by the City Engineer authorizing the work in the Right-of-Way. All seismic survey applications shall be submitted to the City and approved by the City and the Inspection Services Provider(s). The seismic survey shall not begin prior to the issuance of an Engineering and Public Works permit from the City.

Under no circumstances may explosive charges of any type be used in any way in the City related to the preparation and/or conducting of a seismic survey.

ARTICLE VI - GAS WELL PERMITS

Section 40-7. Gas Well Pad Site Permit and Gas Well Operations Permit Required

A. Gas Well Pad Site Permit

A Gas Well Pad Site Permit obtained from the City will be considered as a permit for land use, as established in the permitted uses Table 4A contained in Section 84-84 of the City Code.

B. “Blanket” Gas Well Pad Site Permit

The Operator may apply for and obtain a “blanket” Gas Well Pad Site Permit for more than one well, if multiple wells are located on the same Gas Well Pad Site as defined by the permit application.

C. Termination and Extension of Permit

A Gas Well Operations Permit shall automatically terminate, unless extended, if drilling is not commenced within one hundred eighty (180) days from the date of the issuance of the Gas Well Operations Permit. Drilling must commence within one hundred eighty (180) days from the date of the issuance of the Gas Well Pad Site Permit or at least one well under said Permit as described in Section 40-7 (B) in order to maintain the validity of the Gas Well Pad Site Permit for the multiple wells.

D. Requirements for Notification of Drilling Related Activities

Any person who intends to re-work a permitted well using a drilling rig, to fracture stimulate a permitted well after initial completion or other exploration activities, shall give written notice to the Planning and Development Department and the Inspection Services Provider(s) 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 whether explosive charges will be used, the duration of the activities and the time the activities will be conducted. The notice must also provide the address and 24-hour phone number of the person conducting the activities. The person conducting the activities will post a sign on the property giving the public notice of the activities, including the name, address and 24-hour phone number of the person conducting the activities. If the Inspection Services Provider(s) determines that an inspection is necessary, the Operator will pay the City for the inspection.

E. Drilling Operations

A person wanting to engage in and operate gas production activities on public or private property shall apply for and obtain a Gas Well Operations Permit under this Chapter. It shall be unlawful for any person acting either for himself or acting as agent, employee, independent contractor, or servant for any person to drill any well, assist in any way in the site preparation, re-working, fracturing or operation of any such well or to conduct any activity related to the production of gas without first obtaining a Gas Well Operations Permit issued by the City in accordance with this Chapter. The Operator must apply for and obtain a Gas Well Operations Permit for the drilling, re-drilling, deepening, re-entering, activating or converting of each well on public or private property. Such activities include, but are not limited to initial site preparation, construction of rigs or tank batteries, fracturing and pressurizing, 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.

F. Wire Line Logging Notification Requirements

A minimum of ten (10) days prior to this event written notification shall be made to and a written acknowledgement received from the Fire Marshal. Appropriate permits related to the operation must be obtained from the Fire Marshal's Office. Once approved, the Operator shall notify the Office of the Fire Marshal by phone a minimum of seventy-two (72) hours prior to the commencement of the event. A plan must be submitted and approved for the transportation route of any explosives or radioactive materials to be used, and the transporting vehicles must follow that route. An on-site inspection may take place once the items have been delivered and prior to their use. Proper signage shall be posted for the procedure. It is recognized that these events may take place over a period of time. The written notification should cover the period of time these events are anticipated. Notification to the Office of the Fire Marshal must be made prior to each instance when radioactive or explosive materials will be brought on site. All appropriate permits for any explosive or radioactive materials must be obtained from the Fire Marshal prior to any such products being brought into the City.

G. Perforating Notification Requirements

Ten (10) days prior to this event written notification shall be provided to the Fire Marshal. Perforating requires the approval of the Fire Marshal. Once the perforating schedule is approved, the Operator shall notify the Office of the Fire Marshal a minimum of three (3) business days prior to the commencement of the event. A plan must be submitted and approved for the transportation route of any explosives or radioactive materials to be used, and the transporting vehicles must follow that route. An on-site inspection will take place once the items have been delivered and prior to their use. Proper signage shall be posted for the procedure. All appropriate permits for any explosive or radioactive materials must

be obtained from the Fire Marshal prior to any such products being brought into the City.

H. Requirements for Fracture Stimulation Operations

The following requirements shall apply to all fracture stimulation operations performed on any well: 1) at least seventy-two (72) hours before operations are commenced, the operator shall post a sign at the entrance of the well site advising the public of the date the operations will commence; 2) a watchman shall be required at all times during such operations; and 3) at no time shall the well be allowed to flow or vent directly to the atmosphere without first directing the flow through separation equipment or into a portable tank.

I. Abandoned Wells

An expired Gas Well Operations Permit or an existing active permit for a well that has been abandoned shall not constitute authority for the re-entering and drilling of an abandoned well. An Operator shall obtain a new Gas Well Operations Permit in accordance with the provisions of this Chapter if the Operator is re-entering and drilling an abandoned well. In the event of a dispute over the status of an “abandoned” well, the City Manager will determine, after consulting with the Inspection Services Provider(s), if the well is “abandoned” and the determination of the City Manager shall be final.

J. New or Supplemental Permit

A new or supplemental permit shall be obtained before such well may be reworked for purposes of re-drilling, deepening or converting such well to a depth or use other than that set forth in the then current Gas Well Operating Permit for such well.

K. Other Permits Required

The Gas Well Pad Site and Gas Well Operations Permits required by this Chapter are in addition to, and are not in lieu of, any permit which may be required by the Unified Development Code or any other provision of this Chapter, other requirements of the City Code or by any other governmental agency. It is the intent of this section to clarify that no building or structure shall be erected, altered, enlarged, demolished or otherwise built, modified or removed without a permit from the City Manager or their designee. It shall also be the responsibility of any person, firm or corporation to register as a general contractor with the City and obtain a building permit for any work that will require a permit. This includes, but is not limited to, construction of gates, fences, plumbing, irrigation, electricity, roadways, flow lines, gathering lines, tank batteries and buildings. Fees for work to be performed will be assessed in accordance with the City fee schedule.

L. Floodway/Flood Plain

A Gas Well Pad Site Permit and Gas Well Operations Permit may be issued for any well to be drilled within any floodplain or floodway identified by FEMA on the most current Flood Insurance Rate Maps (FIRM) if the following conditions have been achieved:

1. Obtaining a floodplain development permit from the City Engineer; and,
2. Obtaining approval for such permit from the City Council.
3. Gas well development that will result in any changes to either the FEMA Flood Insurance Rate Maps (FIRM) or the corresponding hydraulic model will require the Operator to obtain a FEMA Letter of Map Revision (LOMR).

M. Ordinance in Full Effect

By acceptance of any Gas Well Pad Site Permit or Gas Well Operations Permit issued pursuant to this Chapter, the Applicant/Operator/Property Owner expressly stipulates and agrees to be bound by and comply with the provisions of this Chapter. The terms of this Chapter shall be deemed to be incorporated in any Gas Well Permit issued pursuant to this Chapter with the same force and effect as if this Chapter was set forth verbatim in such Gas Well Permit.

N. Streets and Alleys

No Gas Well Operations 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, 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 the Inspection Services Provider(s) and the City using the street closure process in place through the City Engineering Department.

Section 40-8. Gas Well Pad Site Permit Application and Filing Fees

- A. Every application for a Gas Well Pad Site Permit issued pursuant to this Chapter shall be in writing signed by the Operator, Property Owner, or some person duly authorized to sign on their behalf, and filed with the City Planning and Development Department.
- B. Every application shall be accompanied by a non-refundable permit fee as approved by action of the City Council. The Applicant/Operator/Property Owner, in addition to the usual application fee, shall reimburse the City for the actual cost to the City for the services of a Technical Advisor to review the application and/or information supplement.

- C. The application shall include the following information:
1. The date of the application.
 2. Name and address of individual designated to receive notice.
 3. An accurate legal description of the lease property to be used for the Gas Well Pad Site operation, and name of the geologic formation as used by the Railroad Commission. Property recorded by plat should reference subdivision, block and lot numbers.
 4. Map showing proposed transportation route and road for equipment, chemicals or waste products used or produced by the gas operation. The map will be accompanied by a list of non-TxDOT roads that will be used, and the lengths of each non-TxDOT road that will be used to access the site.
 5. Applicant/Operator/Property Owner name and address and if the Operator is a corporation, the state of incorporation, address, officers names and addresses, registered agent and address and Articles of Incorporation; and if the Operator is a partnership, the names and addresses of the general partners. Copies of any Assumed Name filings.
 6. Owner and address of each parcel of property within one thousand feet (1000') of the proposed Gas Well Pad Site boundary.
 7. A detailed site plan that includes the proposed operation site showing the location and providing a description of all improvements and structures within one thousand feet (1000') of the well(s).
 8. A detailed site plan that includes specific details to the projected location of the major components of the drilling site including:
 9. Impacted existing vegetation;
 10. Creeks and other topographic features including the limits of the 100 year floodplain and floodway;
 - a. adjacent buildings and other structures and the measured distance from the well site to these buildings and structures
 - b. temporary and permanent fencing including height and type;
 - c. entrance gate location and dimension;

- d. landscaping including a table to include plant material species type and number, square footage of landscaped area and notes regarding any proposed irrigation measures.
11. The location and dimensions of existing or proposed driveway(s) into the pad site. A visibility triangle is required at the intersection of the driveway with the access point to a public or private roadway, driveway or other access easement or alley. The drive approach shall be constructed according to the standards set by Section 84-208 of the City of Euless Unified Development Code. The minimum storage length of the driveway measured shall be seventy-five feet (75') and the minimum width shall be twenty four feet (24') with radii in accordance with the adopted fire lane standards.
12. All required application and Gas Well Pad Site permit fees.
13. Any additional information deemed necessary by the Planning and Development Department in order for the Applicant/Operator/Property Owner to show compliance with the performance standards of this Chapter.

Section 40-8.5 Gas Well Operations Permit Application and Permit Fees

- A. Every application for a Gas Well Permit issued pursuant to this Ordinance shall be in writing signed by the Operator, property owner, or some person duly authorized to sign on their behalf, and filed with the City Planning and Development Department.
- B. Every application shall be accompanied by a non-refundable permit fee as approved by action of the City Council. The Applicant/Operator/Property Owner, in addition to the usual application fee, shall reimburse the City for the actual cost to the City for the services of a Technical Advisor to review the application and/or information supplement.
- C. The application shall include the following information:
 1. The date of the application.
 2. An accurate legal description of the lease property to be used for the gas operation, the parcel and the production unit and name of the geologic formation as used by the Railroad Commission. Property recorded by plat should reference subdivision, block and lot numbers.
 3. A copy of the approved Gas Well Pad Site Permit or a completed Gas Well Pad Site Permit application to be considered concurrently with the Gas Well Operations Permit Application. A Gas Well Operations Permit

shall not be issued by the City until approval of the Gas Well Pad Site Permit has been issued.

4. A copy of the approved Railroad Commission Permit to drill, together with attachments and survey plats which are applicable to the drill and operation sites.
5. Proposed well name.
6. Surface owner name(s) and address(es) of the lease property.
7. Mineral Lessee name and address.
8. Name and address of individual designated to receive notice.
9. Name of representative with supervisory authority over all gas operation site activities and a 24-hour phone number.
10. The exact and correct acreage of the Gas Well Pad Site and number of wells included in the Gas Well Operations Permit application.
11. A detailed site plan that includes the proposed operation site showing the location and providing a description of all improvements and structures within one thousand feet (1000') of the well(s), including the location of the proposed well(s) and other facilities and equipment, including, but not limited to, tanks, pipelines, compressors, separators and storage sheds.
12. A signed Road Repair Agreement supplied by the City that provides that the Operator shall repair, at his own expense, any damage to roads, streets, or highways caused by the use of heavy vehicles for any activity associated with the preparation, drilling, production, and operation of gas wells.
13. A description of public utilities required during drilling and operation.
14. A description of the water source to be used during drilling and the planned total amount of water usage for drilling and fracturing processes.
15. A copy of the determination by the Texas Commission on Environmental Quality of the depth of useable quality ground water.
16. The insurance and security requirement documents under this Chapter.
17. A notarized statement signed by the Operator, or designated representative, that the information submitted with the application is, within the personal knowledge of the Operator or designated representative, true and correct.

18. A copy of the Emergency Response Plan for the site.
19. A Hazardous Materials Inventory Statement including MSDS sheets on all products being used broken down into drilling and post drilling documents.
20. An erosion control plan, grading and drainage plan prepared by a licensed civil engineer meeting the approval of the City Engineer.
21. All required application and Gas Well Operations Permit Fees.

Section 40-9. Issuance of Gas Well Pad Site Permit and Gas Well Operations Permit

A Gas Well Pad Site Permit shall be required if a proposed well is to be located within the City.

A. Gas Well Pad Site Permitting Procedure

1. It is the responsibility of the Inspection Services Provider(s) to review and recommend approval or denial of all applications for Gas Well Pad Site Permits and Gas Well Operations Permits based on the criteria established by this Chapter. The City and the Inspection Services Provider(s), within sixty (60) days after the filing of a completed application and remittance of all fees, insurance and security per the requirements of this Chapter for a Gas Well Pad Site Permit, shall determine whether or not the application complies in all respects with the provisions of this Chapter and shall determine if the proposed well to be drilled or the facility to be installed is in compliance with the distance requirements for the requested Gas Well Pad Site Permit.
2. The provisions of this Section shall apply to any Residences, Commercial Structures or Public Buildings for which an application for a building permit has been submitted on the date the application for a Gas Well Pad Site Permit is filed with the Planning and Development Department.
3. Setback Requirements For Approval Process

Depending on the setback distances of the proposed well head locations to adjacent structures, the following final approval authorities shall be utilized for the approval process of Gas Well Pad Site Permits:

Distance of Potential Well Head Bore Locations from Adjacent Residential, Commercial or Public Building Structure(s)	Waiver(s) Obtained from Adjacent Property Owners	Final Approval Authority
Greater than 600'	None Required	City Manager or their designee
Between 600' and 400' from adjacent Residential or Public Building Structure(s)	Waivers provided from all property owners of structures within the 600' to 400' range	City Manager or their designee
	Absence of waivers from all property owners of structures within the 600' to 400' range	City Council
Between 400' and 200' from adjacent Residential or Public Building Structure(s)		City Council
Within 600' of the external boundaries of properties which have been specifically dedicated, deeded or platted as a Public Park, Playground or Golf Course		City Council

4. Within forty-five (45) days of the Inspection Services Provider(s)' determination that the application complies with all requirements, the City Manager or their designee shall provide a letter of approval or denial for any Gas Well Pad Site Permit applications that meet the criteria sited in section 40-9A(3) above that allow the City Manager or their designee final approval authority of the permit. If the conditions of proposed Gas Well Pad Site Permit requires City Council approval, the City Manager or their designee will coordinate placing the matter on the City Council agenda for a public hearing and consideration of the permit and give notice by mail of the time, place and purpose thereof to the applicant and any other party who has requested in writing to be so notified. The forty-five (45) day period shall not begin to run until the City Manager or their designee and the Inspection Services Provider(s) has made a determination that the application complies with all requirements.

B. Requirements for Obtaining Waivers From Protected Use Property Owners

1. No application for a Gas Well Pad Site Permit in which the proposed Well bore is within six hundred feet (600') of a Residential structure or Public Building shall be accepted unless written notarized waivers are obtained from all Residential structures, Commercial structures or Public Building property owners within six hundred feet (600') of the proposed Well(s). Written notarized waivers granted by all the Residential structures, Commercial structures and Public Building property owners within a six hundred foot (600') radius around the proposed Well(s) must be filed, at the expense of the operator, in the applicable county records.

All waivers must identify the property address, block and lot number, subdivision name and plat volume and page number. Copies of filed Residential structures, Commercial structures or Public Building property owner waivers of must be submitted with the filing of a completed application for a Gas Well Pad Site Permit.

If the Operator fails to obtain written waivers from all Residential structures, Commercial structures or Public Building property owners within a six hundred foot (600') radius around the proposed Well(s), the Operator must submit a request for a waiver to drill a Gas Well within six hundred feet (600') of a Residential structure, Commercial structure or Public Building from City Council pursuant to the requirements of subsection C of this Section or modify the well location to comply with the six hundred foot (600') setback from all Residential structures, Commercial structures or Public Buildings. Waivers from Residential structure, Commercial structure or Public Building property owners shall not be required for an approved or existing Gas Well Pad Site Permit.

C. City Council Approval Process of Certain Gas Well Pad Site Permits

1. At least twenty (20) days, and no more than thirty (30) days prior to the date of the public hearing before the City Council for a Gas Well Pad Site Permit under this Chapter, City shall notify, at Operator's expense, each surface owner of property, as shown by the current tax roll, within one thousand feet (1000') of the proposed Gas Well Pad Site boundary, not owned by or under lease to the Operator and the hearing date and time. Depositing the same, in the United States mail, properly addressed and postage paid, as outlined below, shall constitute such notice.
2. At least fifteen (15) days, and no more than twenty (20) days prior to the date of the public hearing before City Council for a Gas Well Pad Site Permit under this Ordinance, City shall publish a copy of the notice as outlined below, at Operator's expense, in one (1) issue of a daily newspaper.

The notice shall read as follows:

“Notice is hereby given that, acting under and pursuant to the Ordinances of the City of Euless, Texas, on the _____ day of _____, 20____, _____ filed with the City of Euless, an application for a Gas Well Pad Site Permit to drill, complete and operate a well for gas upon property located in Euless, Tarrant County, Texas, more particularly shown on the map of record in Volume _____, Page _____, Plat records of Tarrant County, Texas or per Tax Tract Number _____, Tarrant County, Texas. The City Council will conduct a public hearing on the request for said permit on the _____ day of _____, 20____ at _____ o'clock __.m. in the City Council Chambers located at 201 N. Ector Drive, Euless, Texas.

3. At least twenty (20) days prior to the date of the public hearing before City Council for a Gas Well Pad Site Permit the Applicant/Operator/Property Owner shall, at the Applicant/Operator/Property Owner's expense, erect at least one (1) City-provided sign, no less than two feet (2') by three feet (3'), upon the premises upon which a Gas Well Pad Site Permit has been requested. Where possible, the sign or signs shall be located in a conspicuous place or places upon the property at a point or points nearest any Right-of-Way, street, roadway or public thoroughfare adjacent to such property.
 - a. The sign(s) shall substantially indicate that a Gas Well Pad Site Permit to drill for gas has been requested and state the time and place of the public hearing, and shall further set forth that additional information can be acquired by telephoning the Applicant/Operator/Property Owner at the number indicated on the sign.
 - b. The continued maintenance of any such sign(s) shall not be deemed a condition precedent to the holding of any public hearing or to any other official action concerning this Chapter.
 - c. Any sign(s) shall be removed within seven (7) days after final action by the City Council.
4. All notice provisions contained herein shall be deemed sufficient upon substantial compliance with this section.
5. After a Permit application is submitted, the City and the Inspection Services Provider(s) shall evaluate the public impact of the proposed activity. The Inspection Services Provider(s) shall consider the proposed site and the proposed operations or drilling program and shall draft recommended restrictions or conditions, including minimum separation distance for drilling or other operations, special safety equipment and procedures, recommended noise reduction levels, screening and any

other requirements the Inspection Services Provider(s) deems appropriate. The recommendation shall be submitted to the City Council for consideration prior to the public hearing.

6. At the public hearing and before the City Council considers the merits of the application and the recommendations of the Inspection Services Provider(s) and City Staff, the Applicant/Operator/Property Owner shall provide evidence of having otherwise complied with or satisfied all other requirements of this Chapter.
7. The burden of proof on all matters considered in the hearing shall be upon the Applicant/Operator/Property Owner.
8. The City Council shall review the application and any other related information. The City Council shall consider the following in deciding whether to grant a Gas Well Pad Site Permit:
 - a. Whether the operations proposed are reasonable under the circumstances and conditions prevailing in the area considering the particular location and the character of the improvements located there;
 - b. Whether the drilling of such wells would conflict with the orderly growth and development of the City;
 - c. Whether there are other alternative well site locations;
 - d. Whether the operations proposed are consistent with the health, safety, and welfare of the public when and if conducted in accordance with the Gas Well Pad Site Permit conditions to be imposed;
 - e. Whether there is adequate access for emergency personnel and equipment;
 - f. Whether the impact upon the adjacent property and the general public by operations conducted in compliance with the Gas Well Pad Site Permit conditions are reasonable and justified, balancing the following factors:
 - (1) The right of the owner(s) of the mineral estate to explore, develop, and produce the minerals; and
 - (2) The availability of alternative drill sites.
 - g. The recommendations of the City Staff and the Inspection Services Provider(s).

9. The City Council may require an increase in the distance the well is setback from any Residence, Commercial Structure, Church, Public Building, Hospital, Public Park, Playground, or Golf Course, or School or require any change in operation, plan, design, layout or any change in the on-site and technical regulations in Section 40-16 of this Chapter, including fencing, screening, lighting, delivery times, noise levels, tank height, or any other matters reasonably required by public interest.
10. In making its decision, the City Council shall have the power and authority to refuse any Gas Well Pad Site Permit to drill any well at any particular location within the City, when by reason of such particular location and other characteristics, the drilling of such wells at such particular location would be deemed injurious to the health, safety, or welfare of the inhabitants in the immediate area of the City.
11. The City Council may accept, reject, or modify the application in the interest of securing compliance with this Chapter, the City Code and/or to protect the health, safety, and welfare of the community.
12. If the Applicant/Operator/Property Owner elects not to accept the Gas Well Pad Site Permit under the terms and conditions imposed by the City Council and wishes to withdraw his application, the Applicant/Operator/Property Owner must notify the Planning and Development Department in writing of their decision.

D. Gas Well Operations Permitting Procedure

1. A Gas Well Operations Permit for each individual well head bore shall be filed with the Planning and Development Department who shall forward all applications to the Inspections Services Provider(s) to review. Incomplete applications shall be returned to the applicant, in which case the City shall provide a written explanation of the deficiencies if requested by the applicant.
2. Multiple Gas Well Operations Permit applications may be combined provided that all well heads are contained within the same pad site and any required information unique to each well head be provided in total with the application. In all Gas Well Operations Permit applications, the permit fee will be assessed per well head.
3. No Gas Well Operations Permit shall be approved under this Chapter unless the Applicant/Operator/Property Owner first receives approval of a Gas Well Pad Site Permit. Denial or conditional approval of any such applications shall be grounds for denial or conditional approval of the Gas Well Operations Permit. This section does not preclude the Applicant/Operator/Property Owner from submitting a Gas Well Pad Site Permit and Gas Well Operations Permit to be reviewed concurrently.

4. It is the responsibility of the Inspection Services Provider(s) to review and recommend approval or denial of all applications for Gas Well Operations Permits based on the criteria established by this Chapter; whether the application is in conformance with the applicable Gas Well Pad Site Permit and whether the application is in conformance with the insurance and security requirements set forth in Section 40-14.
5. The Inspections Services Provider(s) shall review each application within 15 days after acceptance for filing and shall determine whether the application includes all of the information required by this Chapter. The Inspections Services Provider(s) shall then provide a written report to the City Manager or their designee recommending approval; approval with conditions; or denial of the application for a Gas Well Operations Permit.

E. Well, Tank Batteries, Well Facilities and Equipment Setbacks for Gas Well Operations Permit

See Article VII, Section 40-16, Technical Regulations.

F. Fencing Requirements for Well Site Perimeter

See Article VII, Section 40-16, Technical Regulations.

G. Vehicle Routes for Gas Well Operations Permit

Vehicles associated with drilling and/or production in excess of three (3) tons shall be restricted to such streets designated as either Truck Routes or as specified in the transportation route submitted with the Gas Well Pad Site application as specified in Article V, section 40-8,C(4). The vehicles shall be operated on a Truck Route wherever capable of being used; they shall be operated on an alternative route only when it is not possible to use a Truck Route to fulfill the purpose for which such vehicle is then being operated.

H. Work Hours for Gas Well Operations Permit

Site development, other than drilling and flowback operations, shall be conducted only between 7:00 a.m. and 7:00 p.m., Monday through Friday and 9:00 a.m. and 6:00 p.m. on 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 the specified hours and days 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 or where additional hours of operation are permitted under Article VI, Section 40-7(G) or Article VIII, Section 40-15(21). The City Manager or their designee has the authority to approve additional hours of work when the well site is located in such a position that the operations at or related to the site will not have an adverse impact on adjacent properties.

I. Noise Restrictions for Gas Well Permit

1. No drilling, producing or other operations shall produce a sound level greater than 78 dB(A) when measured at a distance of three hundred feet (300') from the production equipment in question. In the event the ambient noise level at the location prior to the operations in question, as established by a noise level survey conducted as part of the Gas Well Pad Site Permit application process, has a baseline level greater than 78 dB(A), the noise level from the well or its operations cannot cause an increase in the ambient noise level so established. It shall be the operators responsibility to determine if the baseline ambient noise level at three hundred feet (300') exceeds 78dB(A) and to request a variance in the noise level as part of the application process. The noise level shall be the average of sound level meter readings taken consecutively at any given time from four feet (4') above ground level, when measured at a distance of three hundred feet (300') from the production equipment. A maximum sound level of eighty-five 85 dB(A) shall apply to formation fracturing when measured at a distance of three hundred feet (300') from the production equipment in question.
2. A Noise Management Plan shall be required when requested by the City Planning and Development Department or the Inspection Services Provider(s). Said plan must be approved by the City and the Inspection Services Provider(s) and must identify operation noise impacts, provide documentation of the ambient noise levels prior to construction at the facility and after installation of compressors or other equipment and detail how noise impacts will be mitigated. Acoustic blankets, sound walls, mufflers or other alternative methods as approved by the City and the Inspection Services Provider(s) may be used to ensure compliance. All soundproofing shall comply with accepted and best industry standards.
3. When requested by the City or the Inspection Services Provider(s), the exterior noise level generated by the drilling, re-drilling or other operations of all gas wells shall be continuously monitored to ensure compliance with this Chapter. The cost of such monitoring shall be the responsibility of the well operator.

J. Tank Specifications for Gas Well Operations Permit

All tanks and permanent structures shall conform to the American Petroleum Institute (A.P.I.) specifications unless other specifications are approved by the Fire Marshal. The top of the tanks shall be no higher than eight feet (8') above the terrain surrounding the tanks. All tanks shall be set back pursuant to the standards of the Railroad Commission and the National Fire Protection Association, but in all cases, shall be at least seventy-five feet (75') from any public Right-of-Way or property line. Tanks and installations must conform to the provisions of the Fire Code in effect in the City at the time of application as well as the provisions found in N.F.P.A. #30 as may be appropriate and those found

in Section 40-15 of this Chapter and any site specific requirements imposed by the Fire Marshal.

K. All other provisions outlined in this Chapter shall be required.

Section 40-10. Denial of Gas Well Operations Permit Application

If the City Manger or their designee or City Council denies a Gas Well Operations Permit application for reasons other than lack of required distance as set out in this Chapter for the requested Gas Well Operations Permit, the Operator shall be notified in writing of such denial stating the reasons for the denial. Within thirty (30) days of the date of the written decision of the City Manger or their designee or the City Council to deny the Gas Well Operations Permit, the Operator may: cure those conditions that caused the denial and resubmit the application to the Planning and Development Department for approval and issuance of the Gas Well Operations Permit; or file an appeal to the City Council under the provisions outlined in Section 40–20, “Appeals” of this Chapter.

Section 40-11. Amendment of Gas Well Operations Permits

- A. Applications for amended Gas Well Operations Permits shall be in writing, shall be signed by the Operator, and shall include the following:
1. A non-refundable permit fee as approved by action of the City Council. The Applicant/Operator, in addition to the usual application fee, shall reimburse the City for the actual cost to the City for the services of a Technical Advisor to review the application and/or information supplement;
 2. A description of the proposed amendments;
 3. Any changes to the information submitted with the application for the existing Gas Well Operations Permit (if such information has not previously been provided to the City);
 4. Such additional information as is reasonably required by the Planning and Development Department or the Inspection Services Provider(s) to demonstrate compliance with the applicable Gas Well Operations Permit; and
 5. Such additional information as is reasonably required by the City or the Inspection Services Provider(s) to prevent imminent destruction of property or injury to persons.
- B. All applications for amended Gas Well Operations Permits shall be filed with the Planning and Development Department and will be reviewed by the Inspection Services Provider(s) and other City departments. 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 Railroad Commission regarding the determination of the Operator.

- C. If the activities proposed by the amendment are not materially different from the activities covered by the existing Gas Well Operations Permit, and if the proposed activities are in conformance with the applicable Gas Well Operations Permit, then the City Manager or their designee may approve the amendment within ten (10) days after the application is filed.
- D. If the activities proposed by the amendment are materially different from the activities covered by the existing Gas Well Operations Permit, and if the proposed activities are in conformance with the applicable Gas Well Operations Permit, then the City Manager or their designee may approve the amendment within thirty (30) days after the application is filed. If, however, the activities proposed by the amendment are materially different and, in the judgment of the City Manager or their designee might create a risk of imminent destruction of property or injury to persons that was not associated with the activities covered by the existing Gas Well Operations Permit or that was not otherwise taken into consideration by the existing Gas Well Operations Permit, the City Manager or their designee shall require the amendment to be processed as a new Gas Well Operations Permit application.
- E. The failure of the City Manager or their designee to review and issue an amended Gas Well Operations Permit within the time limits specified above shall not cause the application for the amended Gas Well Operations Permit to be deemed approved.
- F. The decision of the City Manager or their designee to deny an amendment to a Gas Well Operations Permit shall be provided to the Operator in writing within ten (10) days after the decision, including an explanation of the basis for the decision. The Operator may appeal any such denial to the City Council pursuant to Section 40-20, "Appeals" of this Chapter.
- G. An Operator must submit an application for a new Gas Well Pad Site Permit to commence drilling from a new drill site that is not shown on (or incorporated by reference as part of) an existing Gas Well Pad Site Permit.

Section 40-12. Suspension or Revocation of Gas Well Operations Permit, Effect

- A. If an Operator (or its officers, employees, agents, contractors, or representatives) fails to comply with any requirement of a Gas Well Operations Permit (including any requirement incorporated by reference as part of the Gas Well Operations Permit), the City or its designee 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 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 Chapter.

- B. If the Operator fails to correct the noncompliance within thirty (30) days from the date of the notice, the City or its designee may suspend or revoke the Gas Well Operations Permit pursuant to the provisions of this Chapter.
- C. No person shall carry on any operations under the terms of the Gas Well Operations Permit issued under this Chapter during any period of any Gas Well Operations Permit suspension or revocation or pending a review of the decision or order of the City in suspending or revoking the Gas Well Operations 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 Gas Well Operations Permit was ordered for the safety of persons or as required by the Railroad Commission.
- D. If the Operator does not cure the noncompliance within the time specified in this Chapter, the City or its designee, upon written notice to the Operator, may notify the Railroad Commission and request that the Railroad Commission take any appropriate action.
- E. Operator may, within thirty (30) days of the date of the decision of the City or its designee in writing to suspend or revoke a Gas Well Operations Permit, file an appeal to the City Council under the provisions outlined in Section 40-20, "Appeals".
- F. If an application for a Gas Well Operations Permit is denied by the City Manager or its designee, nothing herein contained shall prevent a new permit application from being submitted to the Planning and Development Department for the same well.

Section 40-13. Periodic Reports

- A. The Operator shall notify the Planning and Development Department and the Inspection Services Provider(s) of any changes to the following information within five (5) City working days after the change occurs:
 - 1. The name, address, and phone number of the Operator;
 - 2. The name, address, and phone 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);
 - 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 the Planning and Development Department and Inspection Services Provider(s) of any change to the name, address, and 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 the Planning and Development Department a copy of any "incident reports" or written complaints submitted to the Railroad Commission within thirty (30) days after the Operator has notice of the existence of such reports or complaints regardless of the specifics, causes or basis for the complaint.
- D. Beginning on December 31st after each well is completed, and continuing annually thereafter until the Operator notifies the Planning and Development Department that the well has been abandoned and the site restored, the Operator shall submit a written report to the Planning and Development Department identifying any changes to the information that was included in the application for the applicable Gas Well Operations Permit that have not been previously reported to the City. The report shall be due to the Planning and Development Department by December 31st of each year the well is in operation.
- E. Requirement to Report Emergencies
 - 1. The Operator shall immediately notify the Planning and Development Department, the Inspection Services Provider(s) and the Fire Department of any incident resulting in product loss from a hydrocarbon storage facility or pipeline, blowout, fire, explosion, incident resulting in injury, death or property damage, or any other significant incidents as defined by the Railroad Commission.
 - 2. A written report, containing a brief summary of the incident, shall be submitted to the Planning and Development Department, the Inspection Services Provider(s) and the Fire Marshal by 5:00 p.m. on the first business day of the City following the incident.
 - 3. A follow up report shall be submitted to the Planning and Development Department, the Inspection Services Provider(s) and the Fire Marshal within thirty (30) days following the incident. The follow up report shall contain the following information:
 - a. Operator/Applicant name, phone number, address, and, if available, email address.
 - b. Description of the incident including the date, time, location and cause of the incident.
 - c. Duration of the incident, including when it began, when it terminated to the degree that it no longer constituted a hazard to the health, safety

and well being of persons or property, regardless of the distance or separation from the place of incident.

- d. How the incident was brought under control or remedied.
 - e. A full and complete description of the type of investigation or inquiry that was made concerning the incident, the findings thereof, and the action taken as a result of the findings to prevent a recurrence of the incident.
 - f. The report must be signed and dated by the person responsible for such report.
- F. The Operator shall meet with representatives of the City and the Inspection Services Provider(s) as requested.
- G. The City or the Inspection Services Provider(s) may issue a written stop work order to address any violation that affects the health or safety of the community. Failure to immediately comply with a stop work order other than taking those steps necessary to safely secure the operations in progress on the site is a violation of this Chapter. Appeals to a stop work order shall be processed as specified in Article X of this Chapter.

ARTICLE VII - INSURANCE, BOND AND INDEMNITY

Section 40-14. Bond, Letters of Credit, Indemnity, Insurance

A. General Requirements

The Operator shall be required to:

1. Comply with the terms and conditions of this Chapter and the Gas Well Operations 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.
3. Indemnify and hold harmless the City, its officers, agents, and employees from and against any and all claims, losses, damages, causes of action, suits and liability of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury to or death of any person or for damage to any property arising out of or in connection with the work done by Operator under a Gas Well Operations Permit regardless of whether such injuries, death or damages are caused in whole or in part by the negligence of Operator.

4. Promptly pay all fines, penalties and other assessments imposed due to breach of any terms of the Gas Well Operations Permit.
5. Promptly restore to its former condition any roadway, right-of-way, or other public property damaged by the gas operation (See Road Repair Contract).

B. Bond, Irrevocable Letter of Credit

1. Prior to the issuance of a Gas Well Operations Permit, the Operator shall provide the Inspection Services Provider(s) with a security instrument in the form of a surety bond or an irrevocable letter of credit as follows:
 - a. **Bond.** A bond shall be executed by a reliable bonding or insurance institution authorized to do business in Texas and acceptable to the City. The bond shall become effective on or before the date the Gas Well Operations Permit is issued and shall remain in force and effect for at least a period of six (6) months after the expiration of the Gas Well Operations 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 and perform in accordance with the terms and regulations of this Chapter, other applicable City Ordinances and the Road Repair Agreement. The original bond shall be submitted to the Inspection Services Provider(s) with a copy of the same provided to the City Secretary and the Risk Manager.
 - b. **Letter of Credit.** A Letter of Credit shall be issued by a reliable bank authorized to do business in Texas, acceptable to the City in its sole discretion, and shall become effective on or before the date the Gas Well Operations 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 Gas Well Operations Permit term or until the well is plugged and abandoned and the site is restored, whichever occurs last. If the Letter of Credit is for a time period less than the life of the well as required by this Chapter, the Operator must either renew the Letter of Credit or replace the Letter of Credit with a bond in the amount required by this Chapter, on or before forty-five (45) days prior to the expiration date of the Letter of Credit. If the Operator fails to deliver to the City either the renewal Letter of Credit or replacement bond in the appropriate amount on or before forty-five (45) days prior to the expiration date of the Letter of Credit, the City may draw the entire face amount of the attached Letter of Credit to be held by the City as security for Operator's performance of its obligations under this Chapter.

In any event, the City may draw upon the Letter of Credit upon a signed statement by its City Manager that the terms of this Chapter have not been complied with, in any respect.

The City shall be authorized to draw upon such Letter of Credit to recover any fines, penalties, defaults or violations assessed under this Chapter or the Road Repair Agreement. Evidence of the execution of a Letter of Credit shall be submitted to the Inspection Services Provider(s) by submitting an original signed Letter of Credit from the banking institution, with a copy of the same provided to the City Secretary and the Risk Manager.

- c. The principal amount of any security instrument shall be Fifty Thousand dollars (\$50,000) for any single well. If, after completion of a well, the Applicant/Operator, who initially posted a Fifty Thousand dollar (\$50,000) bond, has complied with all of the provisions of this Chapter and whose well is in the producing state and all drilling operations have ceased, may submit a request to the Inspection Services Provider(s) to reduce the existing bond to Ten Thousand dollars (\$10,000) 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).

An Operator drilling or reworking between one (1) and five (5) wells at any given time, may elect to provide a blanket bond or Letter of Credit, in the principal minimum amount of One Hundred Fifty Thousand dollars (\$150,000). If the operator drills or reworks more than five (5) wells at a time, the blanket bond or Letter of Credit shall be increased in increments of Fifty Thousand dollars (\$50,000) per each additional well. Once the wells are in the producing stage and all drilling operations have ceased, the Operator may elect to provide a blanket bond or Letter of Credit for the remainder of the time the well produces, without reworking, as follows:

Number of Producing Wells	Blanket Bond/ Letter of Credit Amount Required
Up to 75 wells	\$100,000
75 to 150 wells	\$150,000
More than 150 wells	\$200,000

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 and Fifty Thousand dollars (\$250,000) per well.

- d. Whenever the City or its designee finds that a default has occurred in the performance of any requirement or condition imposed by this Chapter, 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 or its designee 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 Chapter.

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 Railroad 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 Chapter.

- e. 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. In addition, the City may summarily suspend or revoke the Gas Well Operations Permit and require that all operations on the well site immediately cease.
- f. 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 Chapter, and in conformity with all regulations of the Railroad 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 by this Chapter, 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 Gas Well Operations Permit shall be suspended on such date of cancellation and the Operator's right to operate under such Gas Well Operations 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 Employers Liability coverage under the Operator's Workers Compensation policy.
 - b. All policies shall be written on an occurrence 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 of Euless, Department of Planning and Development, 201 N. Ector Drive, Euless, Texas 76039, evidencing all the required coverages, including endorsements, prior to the issuance of a Gas Well Operations 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) day notice shall be acceptable in the event of non-payment of premium.
 - i. During the term of the Gas Well Operations Permit, the Operator shall report to the Planning and Development Department and the Inspection Services Provider(s), in a timely manner, 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 operations, 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) per occurrence for Bodily Injury and Property Damage.

3. Excess or Umbrella Liability

\$ 5,000,000 Excess, if the Operator has a stand-alone Environmental Pollution Liability (EPL) policy.

\$10,000,000 Excess, if the Operator does not have a stand-alone EPL policy. Coverage must include an endorsement for sudden or accidental pollution.

4. Environmental Pollution Liability Coverage

a. Operator shall purchase and maintain in force for the duration of the Gas Well Operations 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) per loss, with an annual aggregate of at least Ten Million dollars (\$10,000,000).

b. 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.

5. Control of Well

The policy shall 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.

\$5,000,000 per occurrence/no aggregate, if available, otherwise an aggregate of Ten Million dollars (\$10,000,000).

\$500,000 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
 - a. Workers Compensation benefits shall be Texas Statutory Limits.
 - b. Employers Liability shall be a minimum of Five Hundred Thousand dollars (\$500,000) per accident.
 - c. 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
 - a. Combined Single Limit of One Million dollars (\$1,000,000) per occurrence for Bodily Injury and Property Damage.
 - b. Coverage must include all owned, hired and not-owned automobiles.
8. Certificates of Insurance
 - a. 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.
 - b. The insurance policies must be underwritten on forms that have been approved by the Texas State Board of Insurance or ISO, or an equivalent policy form acceptable to the City, with the exception of Environmental Pollution Liability and Control of Well coverage.
 - c. Sets forth all endorsements and insurance coverage according to requirements and instructions contained herein.
 - d. 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".
 - e. Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.

D. Indemnification and Express Negligence Provisions

Each Gas Well Operations 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 EULESS, 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 GAS WELL PERMIT. THE OPERATOR SHALL FULLY DEFEND, PROTECT, INDEMNIFY, AND HOLD HARMLESS THE CITY OF EULESS, TEXAS, ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, EMPLOYEES, SUCCESSORS, ASSIGNS, OR 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 EULESS, 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 GAS WELL OPERATIONS PERMIT. THE OPERATOR AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY OF EULESS, TEXAS, ITS DEPARTMENTS, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, SUCCESSORS, ASSIGNS, SPONSORS, OR VOLUNTEERS FROM ANY LIABILITIES OR DAMAGES SUFFERED AS A RESULT OF CLAIMS, DEMANDS, COSTS, OR JUDGMENTS AGAINST THE CITY OF EULESS, ITS DEPARTMENTS, ITS OFFICERS, AGENTS, SERVANTS, OR EMPLOYEES, CREATED BY, OR ARISING OUT OF THE ACTS OR OMISSIONS OF THE CITY OF EULESS OCCURRING ON THE DRILL SITE OR OPERATION SITE IN THE COURSE AND SCOPE OF INSPECTING AND PERMITTING THE GAS WELLS INCLUDING, BUT NOT LIMITED TO, CLAIMS AND DAMAGES ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE CITY OF EULESS OCCURRING ON THE DRILL SITE OR OPERATION SITE IN THE COURSE AND SCOPE OF INSPECTING AND PERMITTING THE GAS WELLS. IT IS UNDERSTOOD AND AGREED THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION IS AN INDEMNITY EXTENDED BY THE OPERATOR TO INDEMNIFY AND PROTECT THE CITY OF EULESS, TEXAS, AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES FROM THE CONSEQUENCES OF THE NEGLIGENCE OF THE CITY OF EULESS, TEXAS, AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES, WHETHER THAT NEGLIGENCE**

IS THE SOLE OR CONTRIBUTING CAUSE OF THE RESULTANT INJURY, DEATH, AND/OR DAMAGE.”

“Operator’s Authorized Representative”

The Operator shall sign this Release and Indemnity agreement before issuance of a Gas Well Operations Permit.

E. Notice

The individual designated to receive notice shall be a resident of Texas upon whom all orders and notices provided in this Chapter may be served in person or by registered or certified mail. Every Operator shall within ten (10) days notify the Planning and Development Department and the Inspection Services Provider(s) in writing of any change in such agent or mailing address unless operations in the City are discontinued and abandonment is complete.

ARTICLE VIII - ON-SITE AND TECHNICAL REGULATIONS

Section 40-15. Technical Regulations

A. On-Site Requirements

1. 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. Three feet (3’) shall be the minimum depth. No structures shall be built over an abandoned well.

2. 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 gas operations as required by and in conformance with the requirements of the Railroad Commission and the recommendations of the American Petroleum Institute. 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 Railroad Commission. See also subsection 39, Valves.

3. 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 hazardous materials. Operator shall have all material data safety sheets (MSDS) 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, chemicals and materials raised from the ground (i.e. – wooden pallets or containment pallets), installation and maintenance of secondary containment systems, bulk storage and protection from storm water and weather elements.

4. Closed Loop Mud System

A closed loop mud circulating system shall be the only approved and permitted system used in the drilling process. This system is self contained and has the ability to reuse certain products and is contained within the confines of the Gas Well Pad Site.

5. Compliance

Operator shall comply at all times with all applicable federal, state and City requirements.

6. Compressor Stations

For the compressing of gas are prohibited in the City. This prohibition is not intended to include well head compressor equipment used temporarily in placing a well into production or to prohibit well head compressors used at a single site for the purpose of moving the recovered gas from the well head to the distribution system.

7. 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 gas operation or the contents of any container used in connection with any gas operation in, into, or upon any public Rights-Of-Way, alleys, streets, lots, storm drain, ditch or sewer, sanitary drain or any body of water or any public or private property in the City.

8. Drilling Fluids

Low toxicity glycols, synthetic hydrocarbons, polymers and esters shall be substituted for conventional oil-based drilling fluids. Drilling fluid storage pits shall not be located within the City.

9. 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.

10. 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 potentially leak, discharge or spill hazard liquids, semi liquids or solid waste materials, including hazardous waste inseparable by simple mechanical removal processes and made up primarily of natural materials.

11. 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 gas and other hydrocarbon substances in urban areas. 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 shall be adopted as they become available if capable of reducing factors of dust, vibration and odor.

12. Electric Lines

All electric lines to site development and/or drilling facilities shall be located in a manner compatible to those already installed in the surrounding area or subdivision. Production power lines shall be placed underground.

13. Electric Motors

Only electric prime movers or motors shall be permitted for the purpose of pumping wells. All electrical installations and equipment shall conform to the City ordinances and the appropriate national codes.

14. Emergency Response Plan

Prior to the commencement of any gas or other hydrocarbons production activities, Operator shall submit to the Planning and Development Department, the Inspection Services Provider(s) and Fire Marshal an Emergency Response Plan establishing written procedures to minimize any hazard resulting from drilling, completion or producing of gas wells. Said plan shall use existing guidelines established by the Railroad Commission, Texas Commission on Environmental Quality, Department of Transportation and/or the Environmental Protection Agency. The Emergency Response Plan shall be kept current with any additions,

modifications and/or amendments concerning all construction related activities, oil and/or natural gas operations and/or production. Updated plans shall be submitted to the Inspection Services Provider(s) and the Fire Marshal within two (2) business days after any additions, modifications and/or amendments to said plans. A copy of the Emergency Response Plan shall be kept on site in a location approved by the Fire Marshal and readily available.

15. Explosives

Under no circumstances shall explosives of any type be stored on site, transported through the site, placed on the site or used during any phase of drilling, re-drilling, deepening, re-entering, activating, converting, fracturing or completing a gas well without the prior consent of the Fire Marshal. A Fire Department permit is required prior to any explosives being brought on site. The Operator shall provide written notice to the Planning and Development Department and the Inspection Services Provider(s) and apply for a Fire Department permit at least ten (10) days prior to such activities. The notice shall identify the date that the explosive charges will be used, when they will be removed, the type and quantity of explosives to be on site, the date and means of transporting the explosive charges, and the transportation route to and from the drill and/or operation site. Explosives must be properly secured and safeguarded and may not remain on the site longer than necessary for the operation for which they are used. It is the specific intent of this Chapter that long term storage of explosives, considered to be storage in excess of thirty (30) consecutive days, is prohibited. Modifications to the explosives permit may be made by the Fire Marshal upon written request by the Operator.

16. Equipment Painted

All production equipment on the site shall be painted and maintained at all times, including pumping units, storage tanks, buildings and structures. Paint colors must be approved by the City Manger or their designee.

17. 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.

18. Fresh Water Wells

It shall be unlawful to drill any well, the center of which, at the surface of the ground, is located within two hundred feet (200') of any fresh water well. The measurement shall be in a direct line from the closest well bore to the fresh water well bore.

The Operator of a gas well shall provide the Inspection Services Provider(s) with a "pre-drilling" and "post-drilling" water analysis from any fresh water well within five hundred feet (500') of the gas well.

Water samples must be collected and analyzed utilizing proper sampling and laboratory protocol from a United States Environmental Protection Agency or Texas Commission on Environmental Quality approved laboratory. Well samples shall be analyzed prior to any drilling activity and again within three (3) months after the drilling begins. Testing must include, but are not limited to: methane, chloride, sodium, barium and strontium.

Within one hundred and eighty (180) days of its completion date, each gas well shall be equipped with a cathodic protection system to protect the production casing from external corrosion. The Inspection Services Provider(s) may approve an alternative method of protecting the production casing from external corrosion.

19. Reduced Emission Completion.

After fracturing or re-fracturing, Operators shall employ appropriate equipment and processes as soon as practicable to minimize natural gas and associated vapor releases to the environment. All salable gas shall be directed to the sales line as soon as practicable or shut in and conserved. All wells that have a sales line shall be required to employ Reduced Emission Completion techniques and methods, but Operators may request a variance from the Gas Inspector if they believe that Reduced Emission Completion techniques or methods are not feasible or would endanger the safety of personnel or the public.

Reduced Emission Completion techniques and methods shall not be required for well(s) that do not have a sales line and:

- a. Were permitted prior to July 1, 2009; or
- b. Is the first permitted well on a pad site.

Flaring may be allowed in some instances as an alternative to venting as allowed by the Gas Inspector. If burning of gases by open flame is authorized by the gas inspector then such open flame shall not be located closer than three hundred feet (300') from any buildings not used in operations on the drilling site and such open flame shall be screened in

such a way as to minimize detrimental effects to adjacent Property Owners.

20. Gas Processing Onsite

Except for a conventional gas separator or line heater, no refinery, processing, treating, dehydrating or absorption plant of any kind shall be constructed, established or maintained in the City.

21. Gas Well Stimulation

All formation fracturing operations shall be conducted during daylight hours unless the Operator has notified and received written authorization from the City Manager or their designee and the Inspection Services Provider(s) that fracing will occur before or after daylight hours to meet safety requirements. Air, gas, or pneumatic drilling shall not be permitted. Only Light Sand Fracture Technology or those technologies approved by the Inspection Services Provider(s) may be used to fracture stimulate a well.

22. Air, Gas or Pneumatic Drilling

Air, gas, or pneumatic drilling shall not be permitted.

23. Gas Monitor

Any well site that is located within one thousand feet (1,000') of an occupied or occupiable structure shall be equipped with an approved gas monitoring or leak detection device or system. The device or system must be equipped to sound a local alarm and shall also be monitored off site continuously by a licensed and approved alarm monitoring company when required by the Fire Marshal. The installation must meet design criteria approved by the Fire Marshal.

24. Grass, Weeds, Trash

All drill and operation pad sites shall be kept clear of grass, weeds, and combustible trash.

25. Hazardous Materials Management Plan

Hazardous Materials Management Plan shall be on file with the Fire Marshal and the Inspection Services Provider.

26. 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 internally so as to avoid glare on public roads and adjacent Residences, Commercial Structures and Public Buildings within one thousand feet (1,000'). Other provisions notwithstanding, lights shall be shielded or otherwise protected to avoid presenting a hazard to traffic on adjacent roadways.

27. Lubricating Oil Purification Units

Any and all stationary diesel power plants located on the drilling site and associated with the exploration, development, operation and production of oil, natural gas or associated minerals shall have a lube oil purification unit installed, maintained and functional at all times while the diesel plant is operating.

28. 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.

29. 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 practical, high flash point Varsol shall be used.

30. Pipe Dope

Lead-free pipe dope shall be substituted for API specified pipe dope.

31. Pits

The use of pits is generally prohibited on site. If a specific need for a pit exists, the Operator shall submit a detailed request in writing to the Planning and Development Department and the Inspection Services Provider(s), who will consider the request as part of the Gas Well Permit Site Plan. No pit is permitted unless it is outlined in the site plan, is accompanied by a specific request as outlined herein, and is indicated on and approved as part of the Gas Well Pad Site Permit and Gas Well Operations Permit.

- a. No washout pits shall be located within the City.
- b. No drill cuttings, rotary mud and wastewater generated during drilling operations may be buried on site.

32. Private Roads and Drill Sites

Prior to the commencement of any drilling operations, all private roads to be used for access to the drill site and the operation site itself shall be installed and shall be at least twenty-four feet (24') wide, and shall have an overhead clearance of fourteen feet (14'). A standard commercial drive approach meeting the requirements of the City shall be installed at the point of contact with the City street prior to any drilling commencing and an approved concrete drive shall extend for a minimum of seventy-five feet (75') onto the property from the street within sixty (60) days after production commences. All other private roads on drill sites during the drilling and fracturing stages of a drill site shall be constructed of an approved all-weather hard surface and be maintained to prevent dust, mud and rutting. Requirements for the road surface following drilling operations may be different than those permitted during the drilling operations and may include approved concrete surfaces in certain areas as defined in the approved site plan. All concrete road surfaces specified in the site plan shall be installed within sixty (60) days after the production stage at the site begins. In particular cases these requirements governing surfacing of private roads and the width of the roads may be waived at the discretion of the City Engineer with the approval of the Fire Marshal.

33. Salt Water and Disposal Wells

No disposal wells shall be located within the City.

34. Soil Sampling

Soil sampling may be required at the discretion of the Inspection Services Provider(s) to determine if soil contamination is present at the site. Soil contamination assessments shall be conducted at the expense of the Operator and shall utilize an approved laboratory testing for any increase above the Texas-specific median background concentrations for metals or specific contaminants that might have been present on the site. A minimum of five (5) samples shall be taken and shall include the pit or area of concern as well as the area down grade from the site.

35. Signs

a. A sign shall be immediately and prominently displayed at the gate on the fencing erected pursuant to Section 40-16 of this Chapter. Such sign shall be durable material, maintained in good condition, and, unless otherwise required by the Railroad Commission, shall have a surface area of not less than two (2) square feet nor more than four (4) square feet and shall be lettered with the following:

- (1) Well name and number;
- (2) Name of Operator;

- (3) The emergency 911 number; and
 - (4) Telephone numbers of two (2) persons responsible for the well who may be contacted in case of emergency. These must be current and valid numbers and must be answered 24 hours a day.
- b. Permanent weatherproof signs reading “DANGER NO SMOKING ALLOWED” 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 of the City. 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 notification numbers of the Fire Department and the Operator, well and lease designations required by the Railroad Commission.
 - c. No other signs shall be permitted on the site unless specifically required for notifications or safety purposes by the City or other governmental agency or logos and similar company specific signage that is a part of equipment on a site.

36. 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 or his designee shall be the person 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.

37. Storage Tanks

All tanks and permanent structures shall conform to the American Petroleum Institute (A.P.I.) specifications and local codes unless the Fire Marshal approves other specifications. All storage tanks shall be

equipped with a secondary containment system approved by the Fire Marshal. The secondary containment system shall be a minimum of three feet (3') in height and sized to contain one and one-half (1 ½) times the contents of the largest tank and a twenty-five (25) year, twenty-four (24) hour rainfall (to be calculated at twelve inches (12")) in accordance with the Fire Code. The secondary containment system on permanent (production) tanks must be concrete. Temporary tanks may use an earthen berm with an approved plastic, impervious lining material which must be buried at least one foot (1') below the surface of the containment area. Provisions must be made to drain the secondary containment area of accumulations of ground water and rainfall. Secondary containment areas must be routinely drained as necessary. Drip pots shall be provided at the pump out connection to contain the liquids from the storage tank. Tanks and tank installations must also conform to the provisions of any applicable NFPA standard, the fire code in effect at the time of submittal, and site specific requirements imposed by the Fire Marshal.

Fuel storage tanks and installations, if required on a site, are subject to additional requirements as outlined in the current edition of the Fire Code as amended. The temporary use of fuel tanks on site is permitted with the approval of the Fire Marshal and he is authorized to modify the distances outlined in the Fire Code as amended for the placement of said temporary fuel tanks.

All tanks shall be set back pursuant to the standards of the Railroad Commission and the National Fire Protection Association, but in all cases, shall be at least seventy-five feet (75') from any public Right-of-Way or property line. 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 (90% capacity) in the tank.

No meters, storage tanks, separation facilities, or other above ground facilities, other than the well head and flow lines, shall be placed in a floodway or the 100-year floodplain.

Tanks must be at least three hundred feet (300') from any Residence, Commercial Structure, Church, Public Building, Public Park, Playground or Golf Course, commercial structure, Hospital, School, or combustible structure.

38. Tank Battery Facilities

Tank battery facilities shall be equipped with a remote foam application piping system approved by the Fire Marshal and a lightning arrestor system. The foam system shall be provided with a four inch (4") storz fdc secured with a locking Knox cap at a location approved by the Fire Marshal a minimum of two hundred feet (200') from the tanks. This distance may be reduced with the approval of the Fire Marshal if

conditions warrant. When required by the Fire Marshal, on site storage of foam may be required under the conditions as set forth by the Fire Marshal. All components shall be installed in accordance with nationally recognized standards and shall be properly maintained by the well operator. A fire hydrant may be required by the Fire Marshal to provide adequate fire fighting water for the tank battery facilities. Fire hydrants shall be placed as designated by the Fire Marshal.

39. Surface Casing

Surface casing shall be run and set in full compliance with the applicable rules and regulations of the Railroad Commission.

40. 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 valve in an emergency. All well heads 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 appropriately labeled emergency shut off valve to the well distribution line located where it is accessible to the Operator and the Fire Department in an emergency.

41. Waste Disposal

Unless otherwise directed by the Railroad Commission, all tanks used for storage shall conform to the following:

Operator must use portable or other approved closed steel storage tanks for storing liquid hydrocarbons. Tanks must meet the American Petroleum Institute standards, any applicable NFPA standard, the fire code in effect at the time of submittal, and site specific requirements imposed by the Fire Marshal.

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. No tank battery shall be within three hundred feet (300') of any Residence, Church, Public Building, Public Park, Playground, or Golf Course, Hospital, Commercial Structure, or School or other combustible structure.

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 handled in an approved manner for a Closed Loop System and under no circumstances shall be placed in a pit or in a disposal well in the City. All disposals must be in accordance with the rules of the Railroad Commission, this Chapter and any other appropriate local, state or federal agency.

Unless otherwise directed by the Railroad Commission, 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 Chapter and any other applicable ordinance of the City.

42. Watchman

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.

43. Items Not Specifically Addressed

It is the intent that reasonable safety measures be followed during all phases of the development and production processes at any site in the City. Sites and operations must comply with all Federal, state or local laws, regulations and ordinances in effect at the time. Specific safety concerns that are identified during inspection processes must be resolved by the operator in a timely manner.

B. Well, Tank Batteries, Well Facilities, and Equipment Setbacks

It shall be unlawful to drill any well, the center of which, at the surface of the ground, is located:

1. Within one hundred feet (100') from any outer boundary line of the well site; or
2. Within one hundred feet (100') from any storage tank, or source of ignition; or
3. Within seventy-five feet (75') of any public street, road, highway or future street, or Right-of-Way;
4. Within one hundred feet (100') of a property line; or
5. Within a minimum of six hundred feet (600') from any Residence, Church, Public Building, Hospital, Commercial Structure, or School without waiver and shall exceed six hundred feet (600') where conditions allow; or
6. Within one hundred feet (100') of any building accessory to, but not necessary to the operation of the well; or

7. Within two hundred feet (200') to any fresh water well. The measurement shall be in a direct line from the closest well bore to the fresh water well bore.
8. Within six hundred feet (600') of a Public Park, Playground or Golf Course without the prior consent of the City Council. This provision is not intended to prevent the drilling of wells within public parks.

The distance shall be calculated from the well bore, in a straight line, without regard to intervening structures or objects, to the closest exterior point of any object listed above with the exception of Schools, to which the distance shall be calculated from the well bore, in a straight line, without regard to intervening structure or objects to the closest property line of the School site.

The distances set out in Subsections 40-15 (B1, B2, B3, B4, B5, B6, B7 or B8) may be reduced at the discretion of the City Council, but never less than two hundred feet (200') from any Residence, Public Building or Commercial Structure without the unanimous consent of the property owners within a two hundred foot (200') radius around said well and the affirmative vote of the members of the City Council. For protection of the public health, safety and welfare, the City Council may impose additional requirements for a reduction of such distance. The reduction of the distance requirement for fresh water wells is subject to the Railroad Commission regulations and any other state or federal requirements.

Tank batteries, well facilities and equipment shall be located at least three hundred feet (300') from any Residence, Church, Public Building, Hospital, Public Park, Playground or Golf Course, Commercial Structure, or School for which a building permit has been issued on the date the application for a drilling permit is filed. The distance shall be calculated from the closest tank batteries, well facilities and/or equipment, in a straight line, without regard to intervening structures or objects, to the property line of the building.

Notwithstanding the provisions of this section, new Residences, Churches, Public Buildings, Commercial Structures, Hospitals or School buildings may not be built closer than one hundred and fifty feet (150') from the outside fence or boundary of an existing production gas well site, inclusive of the well, tanks and other appurtenances. Prior to the issuance of any building permit by the City for any structure located within six hundred feet (600') of a gas well site, the following notation shall be placed on the deed, plat or site plan for said lot or tract. "This tract or lot is located less than six hundred feet (600') from an existing oil or gas well and is subject to the Codes and Ordinances of the City of Eules." "

C. Installation of Pipelines On, Under or Across Public Property Including Rights Of Way, Parks and Similar Locations.

The Operator shall apply to the City for a City Council approved agreement to install pipeline(s) on, over, under, along or across the City streets, sidewalks, alley, Rights-of-Way and other City property for the purpose of constructing, laying, maintaining, operating, repairing, replacing and removing pipelines so long as production or operations may be continued under any Gas Well Operations Permit issued pursuant to this Chapter. The Operator shall:

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.

1. Furnish to the Planning and Development Director a plat showing the location of such pipelines.
2. Construct such lines out of pipe in accordance with the City codes and regulations consistent with Barlow's Formula for proper casing and ventilation.
3. Grade, level and restore such property to the same surface conditions, as nearly as practicable, as existed when operations for the placement of the pipeline were first commenced.
4. Comply with all City ordinances. Reference all provisions of Article XI of this Chapter.
5. Streets or alleys may not be blocked, encumbered or closed due to any operation unless prior consent is obtained by the City using the street closure process in place through the City Engineer.

Section 40-16. Fences / Screening

A. Fences/Screening.

Fences shall not be required on drill sites during initial drilling, completion or re-working operations except as may be specified elsewhere in this Chapter as long as 24-hour on-site supervision is provided. A secured entrance gate shall be required. All gates are to be kept locked when the Operator or his employees are not within the enclosure. Within thirty (30) days after production has been established, all operation sites shall be completely enclosed by an ornamental iron, steel, or aluminum fence with masonry columns according to the requirements of the Gas Well Operations Permit, as follows:

1. Fencing specifications. The fence shall be at least eight feet (8') in height, but not greater than ten feet (10').

2. The fence shall be erected on a structurally sound metal frame set in concrete. Masonry columns must be installed at a maximum of thirty feet (30') on centers, shall be taller than the panels comprising the fence, and shall have decorative caps.
3. All fencing shall be maintained in a secure and well maintained condition.
4. Alternative fencing or screening methods may be approved by the City Manager or their designee or the City Council on a site by site basis as part of the permitting approval process.

B. Gate Specifications

All fences shall be equipped with at least one (1) gate. The gate shall meet the following specifications:

1. Primary gate opening shall be not less than twenty feet (20') wide. Gate opening requirements may be met by two (2) swing gates or one (1) sliding gate or approved combinations thereof. Alternative gate openings, if provided, may be of a lesser width but not less than twelve feet (12') wide. If two (2) gates are used, gates shall latch and lock in the center of the span; and
2. 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
3. Operator must provide the Fire Marshal with a "Knox Padlock" or "Knox Box with a key" to access the well site to be used only in case of an emergency. Knox boxes and Knox locks must be placed in a location and manner approved by the Fire Marshal.

C. Landscaping

The Planning and Development Department shall establish requirements regarding specific landscaping requirements as deemed appropriate to the drill site location.

It shall be the responsibility of the Operator to maintain the landscaping as identified per the City Landscape Ordinance.

Section 40-17. 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. Cleanup 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 or its designee all waste materials from any public or private property affected by such spill, leak or malfunction. Clean-up operations must begin immediately. If the Operator fails to begin site clean-up within twenty-four (24) hours, the City shall have the right to contact the Railroad Commission in order to facilitate the removal of all waste materials from the property affected by such spill, leak or malfunction.

C. Free From Debris

The pad site, production site and all related areas shall at all times be kept free of debris, pools of water or other liquids, contaminated soil, weeds, brush, trash or other waste material including those areas around any separators, tanks and producing wells. The public street entrance and adjacent public streets shall be kept free of mud, dirt, debris, liquids or any other materials which create an unsightly appearance or which pose a hazard to traffic. All such materials shall be removed immediately and measures taken to prevent an unsafe condition from occurring on the roadway. Upon notice from the City of a hazardous street condition caused by the gas well or an operation attached thereto, the Operator shall immediately take action to remove the hazardous condition and to prevent a recurrence. The City shall have the authority to remove any mud, debris or other materials that are creating a hazard to transportation from the public Rights-of-Ways at the expense of the Operator, if the Operator is not able to immediately resolve the condition.

D. 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 Manager or their designee 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 brown, or other neutral colors approved by the City Manager or their designee.

E. 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 Chapter and shall notify the Fire Department immediately by calling 911 and the Inspection Services Provider(s) as soon as practicable. The Inspection Services Provider(s) shall provide a report in writing, briefly describing the same, to the official designated by the City Manager. If the City or the Inspection Services Provider(s), 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 or the Inspection Services Provider(s) 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 or the Inspection Services Provider(s) 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 such action of the City or the Inspection Services Provider(s) in gaining control of said well.

Section 40-18. Plugged and Abandoned Wells

- A. Surface Requirements for Plugged and Abandoned Well. Whenever abandonment occurs pursuant to the requirements of the Railroad 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 Chapter.
- B. Abandonment shall be approved by the Inspection Services Provider(s) after restoration of the drill site has been accomplished in conformity with the following requirements at the discretion of the Inspection Services Provider(s):
1. The derrick and all appurtenant equipment thereto shall be removed from drill site;
 2. All tanks, towers, and other surface installations shall be removed from the drill 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 Railroad Commission;
 4. All holes and depressions shall be filled with clean, compactable soil;
 5. All waste, refuse or waste material shall be removed from the drill site; and
 6. During abandonment, Operator shall comply with all applicable sections in this Chapter.
- C. Abandoned Well Requirement. The Operator can only abandon a well if the City Manager or their designee has reviewed and approved the abandonment and all appropriate Railroad Commission and City abandonment requirements have been met. The Operator shall furnish the following at the discretion of the Inspection Services Provider(s):
1. A copy of the approval of the Railroad 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 date 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 Railroad Commission prior to the issuance of any building permit for development of the property. No structure shall be built over an abandoned well.

ARTICLE IX - TECHNICAL ADVISOR

Section 40-19. Technical Advisor

The City may from time to time employ a Technical Advisor or Advisors experienced and educated in the gas industry or the law as it pertains to gas matters. The function of such Advisor(s) shall be to advise, counsel or represent the City on such matters relating to 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 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 Chapter, 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 Chapter. 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 is subject to approval by the City Council.

ARTICLE X - GAS PIPELINE INSTALLATION

Section 40-20. Public Right-of-Way Use Agreement Requirements

A Public Right-of-Way Use Agreement shall be required prior to any gas pipeline construction within the City. The Public Right-of-Way Use Agreement shall include, but is not limited to the following information:

- A. The Pipeline Company/Applicant/Operator 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 proposed use within Public Right-of-Way.

- C. A traffic safety and management plan as required by the Public Works Department.
- D. Bonds in the amount of the cost of work or Fifty Thousand Dollars (\$50,000), whichever amount is greater. Such bonds shall guarantee:
 - 1. The faithful performance and completion of all construction, maintenance, removal or repair work in accordance with the contract between Pipeline Company and the Contractor;
 - 2. Full payment for all wages for labor and services and of all bills for materials, supplies and equipment used in the performance of that contract;
 - 3. That Pipeline Company shall restore the Right-of-Way affected by such cut, opening, or other excavation in a satisfactory and workmanlike manner; and
 - 4. Maintain such restoration work in a state of repair satisfactory to the City for a period of two (2) years following the date the City approves the restoration; and fully comply with the City's ordinances governing excavation in the Public Right-of-Way. If the Pipeline Company meets its obligations under this section, the City shall return the bond to the Pipeline Company upon expiration of the two (2) year period. The bonds shall name both the City and Pipeline Company as dual obliges.

Section 40-20.1 Fees and Payments to City

The following fees shall be due to the City prior to any pipeline construction.

- A. Application Fee – Company shall pay the City an Application Fee. This fee shall be collected at the time Company applies for a permit to construct gas pipelines within the City.
- B. Right-of-Way Use Fee – The Pipeline Company shall pay a Right-of-Way Use Fee. This fee shall be collected on or prior to the Effective Date of the Agreement, and annually thereafter, Company shall pay the City as compensation for its use of the Public Right-of-Way for the Term of this Agreement in a “per linear foot fee” based on the linear foot of gas pipeline proposed to be constructed within the City.
- C. Construction Plan Review Fee – The Pipeline Company shall pay a Construction Plan Review Fee. This fee shall be collected on or prior to constructing any gas pipelines within the City for Gas Pipeline Construction Plan review.
- D. Inspection Fee – The Pipeline Company shall pay an Inspection Fee. This fee shall be collected on or prior to constructing any gas pipelines within the City for inspection of gas pipeline construction.

- E. Other Payments and Interest – In addition to the above referenced fees, the Pipeline Company shall pay the City all sums which may be due the City for property taxes, license fees, permit fees, or other taxes, charges or fees that the City may from time to time impose on all other similarly situated entities within the City.

Section 40-20.2 Regulatory Authority of the City

A Pipeline Company's property and operations hereunder shall be subject to such regulation by the City as may be reasonably necessary for the protection or benefit of the general public. In this connection, the Pipeline Company shall be subject to, governed by and shall comply with all applicable federal, state and local laws, including all ordinances, rules and regulations of the City, as same may be adopted and amended from time to time.

Section 40-20.3 Use of Public Rights-Of-Ways

The City has the right to control and regulate the use of the Public Right-of-Way, public places and other City owned property and the spaces above and beneath them. Company shall comply with all applicable laws, ordinances, rules and regulations, including, but not limited to, City ordinances, rules and policies related to construction permits, construction bonds, permissible hours of construction, operations during peak traffic hours, barricading requirements and any other construction rules or regulations that may be promulgated from time to time.

- A. Pipelines shall not be erected, installed, constructed, repaired, replaced or maintained in any manner that places an undue burden on the present or future use of the Public Right-of-Way by the City and the public. If the City reasonably determines that the pipeline does place an undue burden on any portion of the Public Right-of-Way, the Pipeline Company, at the Pipeline Company's sole cost and expense and within a reasonable time period specified by the City, shall modify the pipeline or take other actions reasonably determined by the City to be in the public interest to remove or alleviate such undue burden.
- B. Prior to the undertaking of any kind of construction, installation, maintenance, removal, repairs or other work that requires the excavation, lane closure or other physical use of the Public Right-of-Way, the Pipeline Company shall, except for work required to address an emergency, provide at least forty-eight (48) hours advance written notice to the owners of property adjacent to the Public Right-of-Way that will be affected. In the case of emergencies, the Pipeline Company shall provide notice to the affected landowners within twenty-four (24) hours after commencement of work.
- C. During any such work, the Pipeline Company shall provide construction and maintenance signs and sufficient barricades at work sites to protect the public. The use of such traffic control devices shall be consistent with the standards and provisions of Part VI of the Texas Manual on Uniform Traffic Control Devices.

The Pipeline Company shall utilize appropriate warning lights at all construction and maintenance sites where one or more traffic lanes are closed or obstructed during nighttime conditions. The Pipeline Company shall plan and execute construction of the pipeline so that no flood conditions are created or worsened on the surrounding land. To minimize erosion, the excavated portion of the Right-Of-Way adjacent to the improved portion of the road shall be restored and re-vegetated in a manner approved by the City.

- D. The Pipeline Company shall bury or have buried its pipeline facilities at least four feet (4') except underneath public roads. Underneath public roads, the Pipeline Company's pipeline facilities shall be at least seven feet (7') below the lowest point in such road pavement. When pipeline facilities cannot be bored, during backfill of the pipeline excavation, "Buried Pipeline" warning tape shall be buried one foot (1') above the pipeline to warn future excavators of the presence of the pipeline. Any deviation to the minimum depth requirement must be approved in writing by the City Engineer.
- E. Isolation Valves – The number and location of isolation valves on the pipeline shall be approved by the City and clearly indicated on the Construction Plans.
- F. Marking of Pipeline – The pipeline shall be marked, in a manner that is reasonably acceptable to the City and the Inspection Services Provider(s), to show conspicuously the Pipeline Company's name, a toll-free telephone number of Company that a person may call for assistance, and the appropriate Texas One Call System telephone number. Other provisions notwithstanding, an identifying sign shall be placed at each point where a flow line or gathering line crosses a public street or road.
- G. Pavement Cut Coordination and Additional Fees – The City shall have the right to coordinate all excavation work in the Public Right-of-Way in a manner that is consistent with and convenient for the implementation of the City's program for street construction, rebuilding, resurfacing and repair. To preserve the integrity of the Public Right-of-Way, the Pipeline Company shall not cut, excavate or otherwise breach or damage the surface of any paved Public Right-of-Way within ninety-six (96) months following the construction or resurfacing of said Public Right-of-Way unless the Pipeline Company obtains written consent from the Director of Public Works, which consent shall not be unreasonably withheld, pays an additional fee agreed to by and between the parties, and restores the Public Right-of-Way in accordance with the Right-of-Way Use Agreement.
- H. Restoration of Public Right-of-Way and Property – The Pipeline Company, at the Pipeline Company's sole cost and expense, and in a manner approved by the City, shall promptly restore any portion of the Public Right-of-Way, City owned property or other privately owned property that are in any way disturbed or damaged by the construction, operation, maintenance or removal of any of the pipeline to, at Pipeline Company's option, as good or better a condition as such property was in immediately prior to the disturbance or damage. The Pipeline Company shall diligently commence such restoration within thirty (30) calendar

days following the date the Pipeline Company first became aware of the disturbance or damage or, if the Pipeline is being removed, within thirty (30) calendar days following such removal. Any private service/utility lines that are in any way disturbed or damaged by the Pipeline Company's construction, operation, maintenance or removal of any of the pipeline, shall be repaired at the Pipeline Company's sole cost and expense within twenty-four (24) hours.

I. Relocation of Pipeline – Within forty-five (45) calendar days following a written request by the City, the Pipeline Company, at the Pipeline Company's sole cost and expense, shall protect, support, disconnect, alter or remove from the Public Right-of-Way all or any portion of its pipeline due to street or other public excavation, construction, repair, grading, regarding or traffic conditions; the installation of sewers, drains, water pipes or municipally-owned facilities of any kind; the vacation, construction or relocation of streets or any other type of structure or improvement of public agency; any public work; or any other type of improvement necessary, in the City's sole discretion, for the public health, safety or welfare. If the Pipeline Company reasonably requires more than forty-five (45) days to comply with the City's written request, it shall notify the City Manager in writing within ten (10) days of receiving notice and the City will work in good faith with the Pipeline Company to negotiate a workable time frame. Any relocation will require that the Public Works Department, at the Pipeline Company's expense, approve the Pipeline Company's plans. It is the desire of both parties to determine such relocation within the existing Public Right-of-Way.

J. Emergencies

1. Work by the City – A public emergency shall be any condition which, in the reasonable opinion of the officials specified herein, poses an immediate threat to life, health or property and is caused by any natural or manmade disaster, including, but not limited to, storms, floods, fires, accidents, explosion, water main breaks and hazardous materials spills. In the event of a public emergency, the City shall have the right to take whatever action is deemed reasonably appropriate by the City Manager or Fire Chief, or their authorized representatives, including, but not limited to, action that may result in damage to the pipeline, and Company hereby

a. releases the City, its officers, agents, servants, employees and subcontractors from liability or responsibility for any damages that may occur to the pipeline or that the Pipeline Company may otherwise incur as a result of such necessary response; and

b. agrees that the Pipeline Company, at the Pipeline Company's sole cost and expense, shall be responsible for the repair, relocation or reconstruction of all or any of its pipeline that is affected by such action of the City. In responding to a public emergency, the City agrees to comply with all local, state and federal laws, including, without limitation, any requirements to notify the Texas One Call System, to the extent that they apply at the time and under the circumstances. In

addition, if the City takes any action that it believes will affect the pipeline, the City will notify the Pipeline Company as soon as practicable so that Company may advise and work with the City with respect to such action.

- c. Work by or on Behalf of the Pipeline Company – In the event of an emergency that directly involves any portion of the pipeline and necessitates immediate emergency response work on or repairs, the Pipeline Company may initiate the emergency response work or repairs or take any action required under the circumstances provided that the Pipeline Company notifies the City as promptly as possible. After the emergency has passed, the Pipeline Company shall apply for and obtain a construction permit from the City and otherwise fully comply with the requirements of the Right-of-Way Use Agreement.

K. Removal of Pipeline

1. Pipeline Company Obligated to Remove – Upon the revocation, termination or expiration without extension or renewal of an Agreement, the Pipeline Company's right to use the Public Right-of-Way under the Agreement shall cease and the Pipeline Company shall immediately discontinue the transportation of Gas in or through the City. Within six (6) months following such revocation, termination or expiration and if the City requests, the Pipeline Company at the Pipeline Company's sole cost and expense, shall remove the pipeline from the Public Right-of-Way (or cap the pipeline, if consented to by the City), in accordance with applicable laws and regulations.
2. City's Right to Remove – If the Pipeline Company has not removed all of the pipeline from the Public Right-of-Way (or capped the pipeline, if consented to by the City) within six (6) months following revocation, termination or expiration of an Agreement, the City may deem any portion of the pipeline remaining in the Public Right-of-Way abandoned and, at the City's sole option,
 - a. take possession of and title to such property or,
 - b. take any and all legal action necessary to compel Company to remove such property; provided, however, that Company may not abandon its facilities or discontinue its services within the City without the approval of the Commission or successor agency or any other regulatory authority with such jurisdiction.
3. Restoration of Property – Within six (6) months following revocation, termination or expiration of an Agreement, the Pipeline Company shall also restore any property, public or private, that is disturbed or damaged by removal (or, if consented to by the City, capping) of the pipeline. If the Pipeline Company has not restored all such property within this time, the

City, at the City's sole option, may perform or have performed any necessary restoration work, in which case the Pipeline Company shall immediately reimburse the City for any and all reasonable costs incurred in performing or having performed such restoration work.

Section 40-20.4 As-Built Plans and Maps

The Pipeline Company, at the Pipeline Company's sole cost and expense, shall provide the City with as-built plans of all portions of the pipeline located in the City showing such pipeline within ninety (90) calendar days following the completion of such pipeline. The City Manager or their designee may grant one (1) extension, if requested in writing, for a specific number of days by the Pipeline Company. The Pipeline Company shall supply the textual documentation of such as-built plans and maps in computer format as requested in writing by the City and shall otherwise fully cooperate with the City in ensuring that the pipeline is accurately reflected in the City's mapping system. Scans or image files of the final drawing sealed by the designing Engineer or other approved professional in a file format approved by the City's GIS Department must be provided.

Section 40-20.5 Liability and Indemnification

- A. Liability of Pipeline Company – The Pipeline Company shall be liable and responsible for any and all damages, losses, liabilities (joint or several), payments, obligations, penalties, claims, litigation, demands, defenses, judgments, lawsuits, proceedings, costs, disbursements or expenses (including, without limitation, fees, disbursements, and reasonable expenses of attorneys, accountants, and other professional advisors, and of expert witnesses and costs of investigation and preparation) of any kind or nature whatsoever (collectively “Damages”), which may arise out of or be in any way connected with:
1. the construction, installation, operation, maintenance or condition of the pipeline or any related facilities or appurtenances;
 2. the transportation of Gas through the pipeline;
 3. any claim or lien arising out of work, labor, materials or supplies provided or supplied to the Pipeline Company, its contractors or subcontractors with respect to the pipeline; or
 4. Company's failure to comply with any applicable federal, state or local law, ordinance, rule or regulation, except to the extent directly caused by the gross negligence or intentional misconduct of the City.
- B. Indemnification – THE PIPELINE COMPANY, AT ITS SOLE COST AND EXPENSE SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, BOARDS, COMMISSIONS, AGENTS, EMPLOYEES, AND VOLUNTEERS (“INDEMNITEES”), FROM AND AGAINST ANY AND ALL DAMAGES WHICH MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH:

1. PIPELINE COMPANY'S CONSTRUCTION, INSTALLATION, OPERATION, MAINTENANCE OR CONDITION OF THE PIPELINE OR ANY RELATED FACILITIES OR APPURTENANCES;
 2. THE TRANSPORTATION OF GAS THROUGH THE PIPELINE;
 3. ANY CLAIM OR LIEN ARISING OUT OF WORK, LABOR, MATERIALS OR SUPPLIES PROVIDED OR SUPPLIED TO THE PIPELINE COMPANY, ITS CONTRACTORS OR SUBCONTRACTORS; OR
 4. PIPELINE COMPANY'S FAILURE TO COMPLY WITH ANY APPLICABLE FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION, ACTS; OR
 5. THE NEGLIGENT ACT OR OMISSION(S) OF THE CITY, ITS OFFICERS AND EMPLOYEES.
- C. Assumption of Risk – The Pipeline Company hereby undertakes and assumes, for and on behalf of the Pipeline Company, its officers, agents, contractors, subcontractors, agents and employees, all risk of dangerous conditions, if any, on or about any City-owned or City-controlled property, including, but not limited to, the Public Right-of-Way.
- D. Defense of Indemnitees – If an action is brought against any Indemnitee by reason of any matter for which the Indemnitees are indemnified hereunder, the City shall give the Pipeline Company prompt written notice of the making of any claim or commencement of any such action, lawsuit or other proceeding, and Pipeline Company, at its sole cost and expense, shall resist and defend the same with reasonable participation by the City and with legal counsel selected by the Pipeline Company and specifically approved by the City. In such an event, the Pipeline Company shall not admit liability in any matter on behalf of any Indemnitee without the advance written consent of the City.

Section 40-20.6 Insurance

The Pipeline Company shall procure and maintain at all times, in full force and effect, a policy or policies of insurance to provide coverage's as specified herein, naming the City as an additional insured and covering all public risks related to the use, occupancy, condition, maintenance, existence or location of the Public Right-of-Way and the construction, installation, operation, maintenance or condition of the pipeline including the transportation of Gas through the pipeline, as follows:

- A. Primary Liability Insurance Coverage
1. Commercial General Liability:
 - \$5,000,000 per occurrence, including coverage for the following:

- a. Premises Liability
 - b. Independent Contractors
 - c. Products/Completed Operations
 - d. Personal Injury
 - e. Contractual Liability
 - f. Explosion, Collapse and Underground Property Damage
- 2. Property Damage Liability:
\$1,000,000 per occurrence
 - 3. Automobile Liability:
\$1,000,000 per accident, including, but not limited to, all owned, leased, hired or non-owned motor vehicles used in conjunction with the rights granted under this Agreement.
 - 4. Worker's Compensation:
As required by law; and, Employer's Liability as follows: \$1,000,000 per accident

B. Requirements and Revisions to Required Coverage – The City may, not more than once every five (5) years during the term of the Right-of Way Use Agreement, revise insurance coverage requirements and limits required by the Right-of-Way Use Agreement. The Pipeline Company shall agree that within ninety (90) days of receipt of written notice from the City, the Pipeline Company will implement all such revisions reasonably requested by the City. The policy or policies of insurance shall be endorsed to provide that no material changes in coverage, including, but not limited to, cancellation, termination, non-renewal or amendment, shall be made without thirty (30) days prior written notice to the City. The policies and Certificate of Insurance provided to the City shall contain the following language:

“CANCELLATION CLAUSE

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREFORE, THE ISSUING INSURER WILL PROVIDE THIRTY (30) DAYS WRITTEN NOTICE TO THE NAMED CERTIFICATE HOLDER.”

C. Underwriters and Certificates – The Pipeline Company shall procure and maintain its insurance with underwriters authorized to do business in the State of Texas and who are reasonably acceptable to the City in terms of solvency and

financial strength. Within thirty (30) days following adoption of the Right-of-Way Use Agreement by the City Council, the Pipeline Company shall furnish the City with certificates of insurance signed by the respective companies as proof that it has obtained the types and amounts of insurance coverage required herein. No construction shall commence until such certificates are received. In addition, the Pipeline Company shall, on demand, provide the City with evidence that it has maintained such coverage in full force and effect.

- D. Deductibles – Deductible or self-insured retention limits on any line of coverage required herein shall not exceed Fifty Thousand Dollars (\$50,000) in the annual aggregate unless the limit per occurrence or per line of coverage, or aggregate is otherwise approved by the City.
- E. No Limitation of Liability – The insurance requirements set forth in this section and any recovery by the City of any sum by reason of any insurance policy required under the Right-of-Way Use Agreement shall in no way be construed or affected to limit or in any way affect the Pipeline Company's liability to the City or other persons as provided by the Right-of-Way Use Agreement or law.

Section 40-20.7 Provision of Information

- A. Filings with Commission – The Pipeline Company shall, upon request, provide copies to the City of all documents which the Pipeline Company files with or sends to the Railroad Commission concerning or related to its transportation of Gas through or other operations in the City, including, but not limited to, filings related to:
 - 1. rules, regulations and policies requested, under consideration or approved by the Commission; and
 - 2. applications and any supporting pre-filed testimony and exhibits filed by Pipeline Company or third parties on behalf of the Pipeline Company, on the same date as such filings are made with the Railroad Commission. In addition, the Pipeline Company shall provide the City with copies of records, documents and other filings that the Pipeline Company is required to maintain or supply to the Railroad Commission under any applicable state or federal law, rule or regulation.
- B. Lawsuits – The Pipeline Company shall provide the City with copies of all pleadings in all lawsuits to which Company is a party and that pertain to the granting of this Agreement and/or the transportation of Gas through the city within thirty (30) days of the Pipeline Company's receipt of same.

ARTICLE XI – APPEALS and PENALTY

Section 40-21. Appeals

- A. 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 a Gas Well Pad Site or Gas Well Operations Permit or the revocation or suspension of any Gas Well Pad Site or Gas Well Operations Permit issued hereunder. Any person or entity whose application is denied by the City Manager or their designee other than for distance requirements set out in this Chapter) or whose Gas Well Pad Site or Gas Well Operations Permit is suspended or revoked or whose well or equipment is deemed by the City or its designee to be abandoned 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 in triplicate with the official designated by the City Manager. 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 official designated by the City Manager 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. No other notice need be given.

Appeal fees shall be required for every appeal in the amount as defined in the City Fee Schedule.

Section 40.22. 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 a Gas Well Pad Site or Gas Operations Permit issued under this Chapter;
 2. Fail to comply with any condition set forth in a Gas Well Pad Site or Gas Operations Permit issued under this Chapter; or
- B. Violate any provision or requirement set forth in this Chapter.

SECTION 2

Any person, firm, corporation, agent or employee thereof who violates any of the provisions of this Chapter shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount not to exceed Two Thousand dollars (\$2,000) per day for each

offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 3

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Euless, and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

SECTION 4

THAT Chapter 30, "FEES," Section 30-45, "Gas Well Permit and Contract Fees," of the Code of Ordinances of the City of Euless, Texas, is hereby amended in its entirety to hereafter be and read as follows:

Gas Well Pad Site Permit (May be credited towards Gas Well Operations Permit Fee for first well)	\$1,500.00
Gas Well Operations Permit (per well)	\$3,000.00
Amended permit	\$540.00
Extended permit	\$270.00
Supplemental permit (change in depth or use from current permit)	\$180.00
Operator Transfer	\$720.00
Seismic site inspection	\$360.00
Annual fee (per well)	\$500.00
Fracture Pond	\$500.00
Contract fee for technical expertise (per each new, supplement, or amended application review) – not to exceed amount for actual expenses.	\$5,000.00
Contract fee for gas well inspection services provider (per gas well)	\$5,000.00
Each major activity inspection, including re-drilling, re-working, and re-fracture stimulation) (not to exceed amount for actual expenses)	\$5,000.00
Right of Way Use (Pipeline) Application Fee	\$1,500.00
Right of Way Use Fee (per linear foot)	\$46.00

Construction Plan Review/Inspection Fee

3% of construction cost

Inspection (after hours and weekends) Additional \$50.00 per hour/two hour minimum

SECTION 5

SEVERABILITY CLAUSE. It is hereby declared to be the intention of the City Council of the City of Euless that the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable and if any phrase, clause, sentence, paragraph, or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase.

SECTION 6

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Euless in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

SECTION 7

In any suit filed in the name of the City of Euless in a court of competent jurisdiction, such Court may enjoin any violation of this ordinance, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of Ordinances of the City of Euless.

SECTION 8

The caption and penalty clause of this ordinance shall be published in a newspaper of general circulation in the City of Euless, in compliance with the provisions of Article II, Section 12, of the City Charter. Further, this ordinance may be published in pamphlet form and shall be admissible in such form in any court, as provided by law.

SECTION 9

EFFECTIVE DATE. This ordinance shall be in full force and effect from and after its passage, as provided by the Eules City Charter and the laws of the State of Texas.

PRESENTED AND GIVEN FIRST AND FINAL READING and approved at a regular meeting of the Eules City Council on the 23rd day of June, 2009, by a vote of _____ ayes, _____ nays, and _____ abstentions.

APPROVED:

Mary Lib Saleh, Mayor

ATTEST:

Susan Crim, TRMC, City Secretary

APPROVED AS TO FORM:

Bob McFarland, City Attorney