

Article 16. Oil and Gas Regulations.

Sec. 5-16-1. Definitions.

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

- (a) "City" shall mean the City of Chickasha, Oklahoma;
- (b) "State" shall mean the State of Oklahoma, its branches, departments, agencies, boards or the officers thereof;
- (b) "Person" shall mean and include any person, firm, partnership, association, corporation, trust, cooperative, or other type of organization;
- (c) "Permittee" shall mean the person to whom is issued a permit or permits under the terms of this Chapter;
- (e) "Well" shall mean, unless specifically qualified, any hole or holes, bore or bores, to any depth for the purpose of producing and recovering any oil, gas or liquefied matter, or for the injection or disposal of any of the foregoing;
- (f) "Natural production" shall mean the raising to the surface of the earth, by means other than natural flow, petroleum or natural gas;
- (g) "Artificial production" shall mean the raising to the surface of the earth, by means other than natural flow, petroleum or natural gas;
- (h) "Deleterious substance" shall mean any chemical, salt water, oil field brine, waste oil, waste emulsified oil, basic sediment, mud or injurious substances produced or used in the drilling, development, producing, transportation, refining and processing of oil, gas or condensate;
- (i) "Pollution" shall mean the contamination or other alteration of the physical, chemical, or biological properties of any natural waters of the City, or such discharge of any liquid, gaseous or solid substance into any water of the City as will or is likely to create a nuisance or render such waters harmful or detrimental or injurious to public health, safety, or welfare; to domestic, commercial, industrial, agricultural, recreational, or other beneficial uses; or to livestock, animals or aquatic life;
- (j) "Water" or "waters of the City" shall mean all streams, lakes, ponds, marshes, watercourses, waterways, wells, springs, irrigation systems, drainage systems, and all other bodies or accumulations of water, surface and underground, natural or artificial, public or private, which are contained within, flow through or border upon the City of any portion thereof;
- (k) "Pressure maintenance" shall mean an operation by which gas, water or other fluids are injected into a supply of oil to maintain pressure or retard pressure decline therein for the purpose of facilitating recovery there from, and which has been approved by the Corporation Commission after notice and hearing;
- (l) "Enhanced Recovery" shall mean an operation by which fluid or energy is introduced into a source of supply for the purpose of facilitating recovery there from;
- (m) "Corporation Commission" shall mean the Oklahoma Corporation Commission;
- (n) All technical or oil and gas industry words or phrases used herein and not specifically defined herein shall have that meaning customarily attributable thereto by prudent operators in the oil and gas industry;
- (o) "Oil and gas inspector" shall mean that person employed by the City of Chickasha to enforce the provisions of this ordinance, or by his authorized representatives;
- (p) "Abandoned well" shall mean any natural production well in which production casing has been run but which has not been operated for six (6) months; and each well in which no production casing has been run, and for which drilling operations have ceased for thirty (30) consecutive days. (Ord. 1694, 10/25/84.)

Sec. 5-16-2. Permits.

It shall be unlawful and an offense for any person acting for himself or acting as agent, servant, employee, subcontractor, or independent contractor of any other person, to commence to drill an original well or re-

enter any abandoned well within this city, or to work upon or assist in any way in the production or operation of any such well, without a permit having first been issued by the authority of the oil and gas inspector in accordance with this chapter. (Ord. 1694, 10/25/84.)

Sec. 5-16-3. Application and Filing Fee.

- (A) Every application for a permit to drill an original well or to re-enter an abandoned well shall be in writing, signed by the applicant or by some person duly authorized to sign same on his behalf, and it shall be filed with the oil and gas inspector and be accompanied by a filing fee of Five Thousand Dollars (\$5,000.00). No application shall request a permit to drill more than one well. The application shall contain full information required by the oil and gas inspector, including the following:
- (1) Name and address of applicant and date of application;
 - (2) Where applying for a proposed original well:
 - (a) A block map of the forty (40) acres surrounding the drill site, including thereon the location of the proposed well, and distances there from to all existing dwelling-houses, buildings, or other structures, designed for the occupancy of human beings or animals, within three hundred (300) feet of any such well, and the location of all existing oil, gas or fresh water wells within said forty (40) acre tract.
 - (b) The names of the mineral, surface and lease owners.
 - (c) The payment of the above referred permit fee shall be required for issuance of a permit for any drilling activities within the actual corporate city limits; however, the city council, in its discretion, may waive any or all of the licensing fee for drilling activities on property owned by the City of Chickasha outside the corporate city limits when the council feels the public health and safety will not be adversely affected and that the waiver is equitable to all interested parties. The procedure for obtaining a waiver shall be by a written application to the city and approval or denial by the city council. (Ord. 91-20, 09/26/1991.)
 - (3) A copy of the approved Drilling Permit from the Corporation Commission and a copy of the staking plat;
 - (4) A drilling prognosis, to specify in detail the amount, weight, and size of conductor pipe and surface pipe and the procedures to be used for cementing such. Plugging procedures to be used in the event production is not established shall also be specified.
 - (5) A statement of the provisions for water for the drilling rig.
 - (6) The name and address of the person within the State of Oklahoma upon whom service of process upon applicant may be made within this State; and in the case of any non-resident person who has no such service agent within this State, there shall be attached to the application the designation of such a service agent resident in Grady County, Oklahoma, and a consent that service of summons may be made upon such person in any action to enforce any of the obligations of the applicant here under.
 - (7) A verification of the applicant hereunder.
 - (8) Written approval of the landowners.
 - B. Where the application is one for the re-entry of an abandoned well, the application shall contain all the information required by Section 5-17-3 above, with the exception that the oil and gas inspector may vary the requirements thereof to suit the application before him. Provided, that such application for a permit to re-enter an abandoned well shall provide the following information in every case:
 - (1) A statement of:
 - (a) The then condition of the well;
 - (b) The depth to which it is proposed such well shall be deepened.
 - (c) The proposed casing program to be used in connection with the proposed deepening; and
 - (2) Evidence of adequate current test showing that the casing strings currently passed the same tests that are required in the case of the drilling of an original well.
 - (3) No drilling shall be allowed in R-1 platted areas.
 - (C) No original well or re-entry drilling shall be allowed within the City Limits of the City of Chickasha except in unplatted areas which are zoned either "A" (Agricultural) or "I-2" (Heavy Industrial) zoning districts within the City. (Ord. 1694, 10/25/84; Ord. No. 90-2, 1/11/90.)

Sec. 5-16-4. Issuance or Refusal of Permit.

- (a) The oil and gas inspector's office within thirty (30) business days after the filing of an application for a permit under this ordinance shall determine whether or not the application complies in all respects with the provisions of this ordinance and applicable federal and state law, and, if it does, shall recommend to the mayor and city council that the permit be issued. Each permit issued under the term of this ordinance shall:
- (1) By reference have incorporated therein all the provisions of this ordinance with the same force and effect as if this ordinance were copied verbatim therein;
 - (2) By reference have incorporated therein all the provisions of applicable State Law and the rules, regulations and standards adopted in accordance therewith relating to the protection of human beings, animals and natural resources;
 - (3) Specify that the term of the permit shall be for a period of one (1) year from the date of issuance thereof, and for like period thereafter upon the successful inspection of the permittee's well and operations, as is provided for elsewhere herein;
 - (4) Specify that such conditions imposed by the oil and gas inspector as are by this ordinance authorized;
 - (5) Specify that no actual operations shall be commenced until the permittee shall file and have approved the required bonds and certificate of insurance in the appropriate amounts as provided for elsewhere herein.
- (b) If the permit be issued, it shall, in two (2) originals, be signed by the oil and gas inspector and the permittee, and when so signed shall constitute the permittee's license to drill and operate in the city and the contractual obligation of the permittee to comply with the terms of such permit, such bonds as are required, and applicable State Law, rules, regulations, standards and directives. One executed original copy of the permit shall be retained by the oil and gas inspector; the other shall be retained by the permittee and shall be kept available for inspection by any city or state law enforcement official who shall demand to see same.
- (c) If the permit be refused, or if the applicant notifies the oil and gas inspector in writing that he does not elect to accept the permit as tendered and wishes to withdraw his application, or if the bonds of the applicant be not approved, then upon the happening of any of the events the cash fee filed with the application shall be refunded to the applicant, except that there shall be retained there from by the city the sum of Two Hundred Dollars (\$200.00) as a processing fee.
- (d) A copy of the permit issued pursuant to this ordinance shall be posted on or near the well location.
- (e) In order to avoid unnecessary noise and nuisance, mufflers on engines used in drilling operations shall be used as required by the oil and gas inspector. No fracing, flaring of gas, or tripping operations shall be conducted at night. (Ord 1694. 10/24/84; Ord. No. 1859, 6/11/87.)

Sec. 5-16-5. Permittee's Insurance and Bond.

In the event a permit shall be issued by the oil and gas inspector, no actual operations shall be commenced until the permittee shall file with the city bonds and a certificate of insurance as follows:

- (a) A bond in the principal sum of at least twenty-five thousand dollars (\$25,000.00). The bond to be executed by a reliable insurance company authorized to do business in the state, as surety, and with the applicant as principal, running to the city for the benefit of the city and all persons concerned, conditioned that the permittee will comply with the terms and conditions of this chapter in the operation of the well for either natural or artificial production, injection or disposal. The bond shall become effective on or before the date the same is filed with the city and remain in force and effect for at least twelve (12) months subsequent to the expiration of the permit term, and in addition the bond will

be conditioned that the permittee will promptly pay fines, penalties and other assessments imposed upon the permittee by reason of his breach of any of the terms, provisions and conditions of this chapter, and that the permittee will promptly restore all public streets, sidewalks, and other public property of the city which may be disturbed or damaged in permittee operations, to their former condition; and that the permittee will promptly clear all premises of all litter, trash, waste, and other substances, and will, after abandonment, grade, level and restore the property to the same surface condition, as practicable as is possible, as existed prior to commencing operations; and further that the permittee shall indemnify and hold harmless the city from any and all liability attributable to granting the permit. If, after the completion of a producing well, permittee has complied with all of the provisions of this chapter, such as removing derrick and clearing the premises, he may apply to the oil and gas inspector to have the bond reduced to a sum of not less than Ten Thousand Dollars (\$10,000.00) for the remainder of the time the well produces without reworking. During reworking operations the amount of the bond shall be increased to the original amount.

- (b) In addition to the bond required in sub-paragraph (a) of this section, the permittee shall also obtain a bond or insurance policy in the sum of at least Two Hundred Thousand Dollars (\$200,000.00). The bond or insurance policy shall cover the first twenty (20) wells drilled by any permittee within the city limits of the city. Permittee shall be required to place in effect with the city an additional Two Hundred Thousand Dollars (\$200,000.00) bond or insurance policy for each twenty (20) wells thereafter in multiples of twenty (20) wells in order to satisfy the requirements of this section. The bond or insurance policy shall be executed by a reliable insurer licensed to do business in the state, as surety or insurance company, respectively, and with applicant as principal or insured respectively with the bond running to the city for the benefit of the city and all persons concerned in the case of a bond, and the bond or insurance policy shall be conditioned upon, or shall cover, all damages which result through the failure of the permittee to comply with applicable federal and state laws, rules, regulations, standards or directives relating to the maintenance of the safe and beneficial physical, chemical and biological properties of the natural waters of

the city; that the permittee shall obtain the necessary permits from the city and state with regard to any operations which have the potential of rendering such water as harmful or detrimental or injurious to the public health, safety and welfare; that the permittee shall bear all costs necessary and incidental to the correction of any pollution of the waters caused by the permittee or the permittee's agents, servants, employees, subcontractors, or independent contractors; that the bond or policy of insurance shall further cover any loss resulting from fines, penalties, assessments or judgments resulting directly, or indirectly, from the permittee's activities and which result in pollution of city waters; further that the permittee shall indemnify and hold harmless the city from any and all liability attributable to the granting of the permit where such liability results from the pollution of city waters. The bond or insurance policy set forth within this paragraph shall not be cancelled without written notice to the oil and gas inspector at least ten (10) days prior to the effective date of such cancellation, In the event the bond or policy of insurance is cancelled, the permit granted shall be immediately thereupon terminated without any action on the part of the oil and gas inspector, and the permittee's rights to operation under the permit shall cease until the permittee files an additional bond or insurance policy as provided herein.

- (c) In addition to the bonds required in paragraphs (a) and (b) of this section, the permittee shall carry a policy or policies of standard comprehensive public liability insurance, including contractual liability covering bodily injuries and property damage, naming the permittee and the city, issued by an insurer authorized to do business within the state, the policy or policies in the aggregate shall provide for the following minimum coverage:

(1) Bodily injuries, One Hundred Twenty-Five Thousand Dollars (\$125,000.00) per person; Three Hundred Thousand Dollars (\$300,000.00) per accident (12/01/2003, Ord. No. 2003-13).

(2) Property damage, Two Hundred Thousand Dollars (\$200,000.00). Permittee shall file with the city certificates of the insurance as above stated, and shall obtain the written approval thereof of the oil and gas inspector who shall act thereon promptly after the date of such filing. The insurance policy or policies shall not be cancelled without written notice to the oil and gas inspector at least ten (10) days prior to the effective date of such cancellation. In the event the policy or policies are cancelled, the permit granted shall immediately thereupon terminate without any action on the part of the oil and gas inspector, and permittee's rights to operation under the permit shall cease until permittee files additional insurance as provided therein. If, after completion of a producing well, the permittee has complied with all of the provisions of this chapter, such as removing derricks, clearing premises, and the like, he may apply to the oil and gas inspector to have the insurance policy or policies reduced as follows: Bodily injuries, Fifty Thousand Dollars (\$50,000.00) per person, One Hundred Thousand Dollars (\$100,000.00) per accident; and property damage, Fifty Thousand Dollars (\$50,000.00). (*Ord. 1712, 4/11/85; Ord. No. 1823, 1/14/87.*)

Sec. 5-16-6. Conversion from Natural or Primary to Enhanced Recovery.

- (a) No person shall convert any well from natural or primary production to a use for enhanced recovery or disposal without first obtaining the necessary permit therefore.
- (b) No person shall re-enter any abandoned well or drill an original well to be used for enhanced recovery without first obtaining the necessary permit therefore. (*Ord 1694, 10/25/84.*)

Sec. 5-16-7. Enhanced Recovery and Disposal Wells.

- (a) An application for such permit as is required by the preceding section shall be in the same form as that required for a permit to drill an original well, and shall contain complete information required by the oil and gas inspector, including the following.
 - (1) A block map of the well site, showing all equipment to be used thereat; location of pipelines, access road, and distances from the well to any and all fences, roadways, and buildings within a radius of three hundred thirty (330) feet;
 - (2) A block map of the project, showing the location of all supply, disposal, injection and producing wells; all conduits; tank battery, pumping station and appurtenant equipment; all wells in the project area and those located in the section immediately adjacent, to include producing, abandoned, disposal, and public or private fresh water supply wells;
 - (3) Evidence that all wells in the area of the project and adjacent sections are adequately plugged;
 - (4) All wells associated with the project shall be indicated by status (e.g., P and A, injection, SW, oil, etc), and show the following additional information:
 - (a) Footage location (surface);
 - (b) DF or KB elevation;
 - (c) Drilled total depth;
 - (d) PBTD
 - (e) Size, depth and quality of surface and production casing;
 - (f) Location of all plugs, packers, cement plugs, tubing anchors, etc., with the well bore;
 - (g) Depth and nature of all cement squeeze jobs;
 - (h) Formation name and depth of all open perforations producing open hole;
 - (i) Volume and type of cement used on surface and production strings;
 - (j) Top of cement
 - (5) One copy of all electric, mechanical, sample and driller's log, if available;
 - (6) Fee and operation name for each well;
 - (7) One copy of all cement bond logs and production logs;
 - (8) One copy of all work performed on the well
 - (9) Copies of all information supplied to the Corporation Commission, and the Commission's approval of the project;
 - (10) Copies of Corporation Commission Form No. 1015, indicating successful pressure testing of each injection well at a pressure greater than the maximum proposed for the project, or if no such Form No. 1015 has been filed and approved, then sufficient evidence of the successful pressure testing of each injection well;

- (b) Upon the completion of the application required hereunder, the oil and gas inspector shall have thirty (30) business days to review same and make a recommendation of approval or disapproval to the mayor and city council.
- (c) A fee in the sum of Five Thousand Dollars (\$5,000.00) shall be submitted along with every application required hereunder.
- (d) Injection lines shall be buried in a trench of a depth no less than four (4) feet, and shall be pressure tested (static) annually at a minimum of 150% of the pressure normally encountered at the injection pump discharge for a period of hours to be fixed by the oil and gas inspector. The oil and gas inspector shall be notified five (5) days in advance of such test and may supervise same. Test results shall be filed with the city upon completion.
- (e) Fresh water wells located within a radius of one-quarter (1/4) mile of any enhanced recovery or disposal well shall be tested as chlorides, sulfates and dissolved solids. Such testing is the responsibility of the permittee and at permittee's expense, to be conducted by a person approved by the oil and gas inspector. The oil and gas inspector shall be notified five (5) days in advance of such testing and may be present therefore. Test results shall be filed with the city upon completion. *(Ord 1694, 10/28/84.)*

Sec 5-16-8. Annual Fee to Operate.

An annual inspection fee is hereby levied upon each well operated or maintained under a permit issued by the city. Such fee shall be in the amount of Three Hundred Dollars (\$300.00), payable to the City on or before the annual anniversary date of the issuance of any permit under this ordinance. No permit for any well shall be considered valid for any year for which the annual fee has not been paid. *(Ord. 1694, 10/25/84.)*

Sec 5-16-9. Disposal of Salt Water.

- (a) Every permittee under this chapter shall make sufficient provisions for the safe disposal of salt water or other deleterious substances, which he may bring to the surface of the earth. Such disposal shall not result in pollution of the waters of the city and shall not result in any other environmental hazard, and shall incorporate the best available techniques and equipment.

Sec. 5-16-10. Movement of Heavy Equipment.

No person shall move or cause to be moved over, upon or across any paving or paved street or alley within this city, any piece of machinery of extreme weight which may crack or injure such pavement, except as herein provided: Prior to the moving of any such machinery over, across or upon any paved street or alley within this city, application shall be made to the oil and gas inspector and the route shall be designated by the Inspector. *(Ord. 1694, 10/25/84.)*

Sec. 5-16-11. Well location.

No permit shall be issued for the drilling of an original well or for the re-entry of an abandoned well at any location which is nearer than three hundred (300) feet from the well bore to any residence, residential or commercial platted lot, commercial or office building, producing fresh water well, or any building used as a place of public assembly, institution, church or school. After the well has been completed and established as a producing well, any person owning property adjoining the well site shall be allowed to obtain a building permit for the establishment of a structure so long as the structure is no closer than one hundred (100) feet from the well bore. Further, on any re-entry of an abandoned well, or re-drilling of an existing well on the same permitted location, the operator of said drilling site shall not be required to meet the three hundred (300) foot distance requirement set forth above. *(Ord. 1694, 10/25/85; Ord. 1712, 4/11/85; Ord. No. 1944, 6/23/88; Ord. No. 90-2, 1/11/90; Ord. No. 2003-13, 12/05/2003.)*

A permit shall be issued for the drilling of an original well or for the re-entry of an abandoned well for each one-quarter (1/4) section of land covering one hundred sixty (160) acres. Additional wells may be permitted provided the state corporation commission approves such well location and city staff and mayor and council are satisfied the public interest is preserved. abandoned well, or re-drilling of an existing well on the same permitted location, the operator *(Ord. 95-09, 05/01/95; Ord. No. 2003-13, 12/01/2003.)*

Sec. 5-16-12. Fencing, Landscaping, etc.

- (a) Any person who completes any well for production shall enclose the well, together with all surface facilities and storage tanks and any other facilities and appurtenances thereto, by a substantial fence properly built so as to ordinarily keep persons and animals out of the enclosure. All gates thereto shall be kept locked when the permittee or his employees are not within the enclosure. Nothing herein mandates all such facilities be within the same fenced area and the city manager or his designate shall be authorized to approve any plan, which he believes ordinarily, protects persons and animals from danger.
- (b) Screening shall be required in the areas of operation, which are in any developed area or within One Thousand (1,000) feet of any developed area, park, school, church, public building or place of public assembly. Landscaping shall include screening by a fenced enclosure of at least eight (8) feet in height and constructed of one of the following materials:
- (1) A solid masonry wall;
 - (2) A chain link fabric with 3 1/2 inch mesh interwoven with redwood slats or other opaque materials for use with chain link fabric when such materials are compatible with surrounding uses and effectively screen the oil operation.
 - (3) Any other material, including trees and shrubs, compatible with surrounding uses, which effectively screen the oil operation site.
 - (4) All fencing, masonry walls, redwood slatting, or other comparable material for use with chain link fabric, shall be of a solid neutral color, compatible with surrounding uses, and maintained in a nearorderly, secure condition. Neutral colors shall include sand, gray and unobtrusive shades of green, blue and brown.
- (c) Screening Setbacks Minimum setbacks for all screening shall in no case be less than twenty-five (25) feet from the ultimate right-of-way of any public street as defined in the Transportation Plan of the City.
- (d) Screening Plan. Prior to the issuance of any permit, a screening plan which meets the requirements of this chapter, shall be submitted for review and approval by the city manager or his designate within sixty (60) days after conversion of an abandoned well, any oil operation site in an area as described in (a) above, shall be landscaped in conformance with the plan as approved, and the specification contained in this chapter. (Ord 1694, 10/25/84.)

Sec 5-16-13. Noise and Other Nuisances.

All oil operations, drilling and production operations shall be conducted in such a manner as to eliminate, as far as practicable, dust, noise, vibration or noxious odors, and shall be in accordance with the best accepted practices incident to exploration for, drilling for and production of oil, gas and other hydrocarbon substances. Proven technological improvement in exploration, drilling and production methods shall be adopted as they become, from time to time, available, if capable of reducing factors of nuisance and annoyance. The motive power for all operations after completion of drilling operations shall be electricity produced off-site. (Ord 1694, 10/25/84; Ord No 90-2, 1/11/90.)

Sec 5-16-14. Facilities.

All lease equipment shall be painted and maintained in a good state of appearance, and shall have posted in a prominent place a metal sign no less than two (2) feet square in area upon which the following information shall be conspicuous: permittee's name; lease name; location of the drill site by reference to the United States survey; identifying number of the permit issued by the city. (Ord 1694, 10/25/84.)

Sec 5-16-15. Storage Tanks and Separators.

- (a) Crude oil storage tank shall not be constructed, operated or used except to the extent of one (1) three hundred (300) barrel steel tank for oil storage per well. Should the production of the well so require, the oil and gas inspector may approve different size tankage or additional tankage. The tank is to be located no closer than one hundred (100) feet from any occupied

structure or platted lot (Ord. No. 2003-13, 12/01/2003.)

- (b) A permittee may use, construct and operate a steel conventional separator and such other steel tanks and appurtenances a- are necessary for treating oil with each of such facilities to be so constructed and maintained as to be vapor tight. Each oil, gas separator shall be equipped with both a regulation pressure-relief safety valve and a bursting head. (Ord. 1694, 10/25/84; Ord. 1712, 4/11/85.)

Sec. 5-16-16. Fire Prevention.

Adequate fire fighting apparatus and supplies approved by the city Fire Department shall be maintained on the drilling site at all times during drilling and production operation. All machinery, equipment and installations on all drilling sites within the city limits shall conform with such requirements as may from time to time be issued by the Fire Department. (Ord. 1694, 10/25/84.)

Sec. 5-16-17. Pits.

Steel mud or circulating pits shall be used. Such pits and contents shall be removed from the premises and the drilling site within sixty (60) days after completion of the well. No earthen pits shall be allowed, unless small and temporary and approved in writing by the oil and gas inspector. (Ord. 1694, 10/25/84.)

Sec. 5-16-18. Motive Power.

Motive power for all well pumping equipment shall be electricity. (Ord. 1694, 10/25/84.)

Sec. 5-16-19. Derrick and Rig.

It shall be unlawful and an offense for any person to use or operate in connection with the drilling, re-entry or reworking of any well within city, any wooden derrick or any steam-powered rig, and all engines shall be equipped with adequate mufflers approved by the oil and gas inspector. Permitting any drilling rig or derrick to remain on the premises or drilling site for a period of longer than sixty (60) days after completion or abandonment of a well is hereby prohibited. (Ord. 1694, 10/25/84.)

Sec. 5-16-20. Open Hole Formation Testing.

- (a) All open hole formation testing shall be done during daylight hours, with advance notification thereof made to the oil and gas inspector adequate to enable him to be present if he so chooses.
- (b) All open hole formation testing shall be done into steel tanks, or flared properly in the case of gas.

Sec. 5-16-21. Drilling Operations - Equipment.

All drilling, re-entry and operations at any well performed under this ordinance shall be conducted in accordance with the best practices of the reasonably prudent operator. All casing, valves, and blowout preventers, drilling fluid, tubing, bradenhead, Christmas tree and wellhead connections shall be of a type and quality consistent with the best practices of such reasonably prudent operator. Setting and cementing casing and running drill stem tests shall be performed in a manner and at a time consistent with the best practices of such reasonably prudent operator. Any permittee under this ordinance shall observe and follow the recommendations or regulations of the American Petroleum Institute and the Corporation Commission. A copy of all electric, production, cased hole, and cement bond logs shall be filed with the oil and gas inspector. (Ord 1694, 10/25/84.)

Sec 5-16-22. Streets and Alleys.

No well shall be drilled, and no permit shall be issued for any well to be drilled at any location which is within any of the streets or alleys of the city; and no street or alley shall be blocked or encumbered or closed in any drilling or production operation except with the written approval of the oil and gas inspector, and then only temporarily. (Ord 1694, 10/25/84.)

Sec 5-16-23. Flaring of Gas.

All produced gas shall either be sold or flared with the flaring procedures being approved by the oil and gas inspector and the fire marshal. (Ord 1694, 10/25/84.)

Sec 5-16-24. Fracture and Acidizing.

In the completion of an oil and gas, injection, disposal or service well, where acidizing or fracturing processes are used, no oil, gas or other deleterious substances or pollutants shall be permitted to pollute any surface of subsurface fresh waters. (Ord 1694, 10/25/84.)

Sec 5-16-25. Swabbing and Bailing.

In swabbing, bailing, or purging a well, all deleterious substances removed from the borehole shall be placed in appropriate tanks or pits, and no substances shall be permitted to pollute any surface or subsurface fresh waters. (Ord 1694, 10/25/84.)

Sec 5-16-26. Rupture in Surface Casing.

In the event a rupture, break or opening occurs in the surface or production casing, the permittee or the operator or drilling contractor shall take immediate action to repair it, and shall report the incident to the oil and gas inspector promptly. (Ord. 1694, 10/25/84.)

Sec 5-16-27. Depositing Oil Products.

No person shall deposit, drain or divert into or upon any public highway street or alley, drainage ditch, storm drain, sewer, gutter, paving, creek, river, lake or lagoon, any oil or oily liquid with petroleum content or any mud, rotary mud, sand, water or salt water, or in any manner permit by seepage, overflow or otherwise, any of such substances to escape from any property owned, leased or controlled by such person, and flow or be carried into or upon any public highway, street or alley, drainage ditch, storm drain, sewer gutter, paving, creek, river, lake or lagoon, within the city. (Ord 1694, 10/25/84.)

Sec. 5-16-28. Safety Precautions.

Persons drilling, operating or maintaining any well shall use all necessary care and take all precautions, which shall be reasonably necessary under the circumstances to protect the public. The provisions of this Chapter shall be deemed to be the minimum requirements for the preservation of the public health, safety and welfare, and compliance with the terms hereof shall not be deemed to relieve any person of any additional duty imposed by law. (Ord. 1694, 10/25/84.)

Sec. 5-16-29. Forms Filed with the Corporation Commission.

Copies of all applications, notices, forms, records, logs and the like filed by permittee with the Corporation Commission shall be filed with the city within one week of such filing with said Corporation Commission. The oil and gas inspector shall keep confidential all submitted material, which the state requires to be kept confidential. (Ord. 1694, 10/25/84.)

Sec. 5-16-30. Water for Muds.

In the event a fresh water supply well is drilled to provide water for drilling muds, the depth of such well shall not be greater than two hundred (200) feet below surface. Upon the completion of operations for which such well is required, the city shall have the right to purchase the well at a price determinable by the cost of completion. If the city, in a proper case, does not make such purchase, any such well shall be properly plugged after notice of intention to so plug is provided the oil and gas inspector, who may supervise the operation. (Ord. 1694, 10/25/84.)

Sec. 5-16-31. Oil and Gas Inspector.

- (a) The city manager shall employ an oil and gas inspector, whose duty it shall be to enforce the provisions of this chapter.

- (b) The oil and gas inspector shall have the authority to issue such orders or directives as are required to carry out the intent and purpose of this chapter and its particular provisions. Failure to abide by any such order or directive shall be a violation of this chapter.
- (c) The oil and gas inspector shall have the authority to go upon and inspect any premises covered by the terms of this chapter to ascertain whether this chapter and the applicable laws, rules, regulations, standards or directives of the state are being complied with. Failure to permit access to the oil and gas inspector shall be deemed a violation of this chapter.
- (d) The oil and gas inspector shall have the authority to request and receive any records, logs, reports and the like relating to the status or condition of any well or project or the appurtenances thereof within the city. Such material shall remain confidential where such confidentiality is usually granted by the state. Failure to provide any such requested material shall be deemed a violation of this chapter. (Ord. 1694, 10/25/84.)

Sec. 5-16-32. Service Companies.

Upon request of the oil and gas inspector, service companies or other persons shall furnish and file reports and records showing perforating, hydraulic fracturing, cementing, shooting, chemical treatment and all other service operations on any site covered by this chapter. Such furnished material shall remain confidential where such confidentiality is usually granted by the state. Failure to provide any such requested material shall be deemed a violation of this chapter. (Ord. 1694, 10/25/84.)

Sec. 5-16-33. Accumulation of Vapor.

The oil and gas inspector shall have the authority to require the immediate shutting in or closing of any well if he finds that there exists, within a one hundred (100) foot radius of any well, any gas or gasoline vapor in a quantity sufficient to constitute, in his judgment, or in the judgment of the city fire marshal, a fire hazard. The well shall remain shut or closed in until the hazard and its cause is removed. (Ord. 1694, 10/25/84.)

Sec. 5-16-34. Inspection of Pressure Lines.

The oil and gas inspector shall inspect all pressure lines in use at any well or at any project to assure that tubing, fittings, equipment or connections are reasonably tight, safe and free from leaks. (Ord. 1694, 10/25/84.)

Sec. 5-16-35. Ingress and Egress.

Lease roads shall be maintained in such manner as to safely and comfortably allow for ingress and egress of city or state personnel traveling in a common passenger motor vehicle. (Ord. 1694, 10/25/84.)

Sec. 5-16-36. Order to Cease Operations.

- (a) If the oil and gas inspector finds that, in his judgment, a hazard to life or natural resources exists, he shall order immediate rectification of the cause. If the permittee takes no immediate measure to reduce the hazard, or if the situation be so perilous as to constitute an imminent threat to safety, then in either of these events he may order the prompt cessation of activity, and if necessary, the clearance of the premises.
- (b) The oil and gas inspector shall apply to the city manager for a hearing upon such order, which hearing shall be held not longer than twenty-four (24) hours after the issuance of said order by the oil and gas inspector. The city manager shall determine if proper cause existed, and, if not, shall order the permittee's activity to resume without delay. If the city manager determines that proper cause did exist for the order to cease activity to issue, then he shall make whatever ruling is proper to assure rectification of the cause of the peril. Such ruling and compliance with it by the permittee shall not be construed to absolve the permittee of any liability for any violation of this chapter or for any damage or injury caused thereby. (Ord. 1694, 10/25/84.)

Sec. 5-16-37. Appeals.

Any permittee aggrieved by any order, directive or ruling issued by the oil and gas inspector, or by any ruling by the city manager may appeal the same to the city council which shall hear the matter at the next scheduled meeting. The lodging of such appeal shall not stay the enforcement of any of the provisions of this chapter. The council, upon hearing the matter, may issue whatever ruling or order is appropriate, provided that such ruling or order be in keeping with the spirit and purpose of this chapter. (Ord. 1694, 10/25/84.)

Sec. 5-16-38. City Council Review of Permit Recommendations.

Upon the consideration of any application for a permit required by the terms of this ordinance, the oil and gas inspector shall recommend approval or disapproval thereof to the mayor and city council, who shall review the matter at a regularly-scheduled meeting, and thereupon uphold or reverse the recommendation with or without the addition of any conditions thereto. (Ord. 1694, 10/25/84.)

Sec. 5-16-39. Conduit on Streets and Alleys.

- (a) No permittee shall make any excavations or construct any lines for the conveyance of fuel, water or minerals, on, under or through the streets and alleys of the city without first having obtained a permit therefore upon application to the department of public works.
- (b) The oil and gas inspector shall prescribe the forms to be used for such application and the information to accompany it. (Ord. No. 2002-11, 03/04/2002).
- (c) Each application for a permit under this section shall be accompanied by a non-refundable filing fee in the amount of Two Hundred Fifty Dollars (\$250.00).
- (d) The director of public works shall, within twenty (20) days of receipt of the properly executed application, either grant or deny the request.
- (e) The granting of any such permit shall not be construed to be the granting of a franchise. (Ord. 1694, 10/25/84.)

Sec. 5-16-40. Annual Fee for Conduits.

- (a) The permittee under Sec. 5-16-2 of this chapter shall pay to the city an annual renewal and inspection fee being the total of five dollars (\$5.00) per rod of conduit multiplied by the number of rods in the conduit for which the permit was issued. (Ord. No. 2002-11, 03/04/2002).
- (b) The oil and gas inspector shall inspect such conduits to assure the public safety. No permit shall be continued if the conduit or any part thereof covered by such permit is in an unsafe condition. (Ord. 1694, 10/25/84; Ord. No. 2002-11, 03/04/2002).

Sec. 5-16-41. Pipelines and Appurtenances within the city limits.

- (a) An annual inspection fee is hereby levied upon any person, company or business entity, who operates an underground pipeline within the corporate limits of the City of Chickasha and who has not secured a franchise with the City of Chickasha, to pay an annual fee for the inspection of all pipeline meters, valves, gauges, pumps, appliances and appurtenances under its operation: such fee shall be in the amount of three hundred dollars (\$300.00) for each location where such meters, valves, gauges, pumps, appliances and appurtenances are located above ground. Said fee shall be payable to the city within thirty (30) days of receipt of invoice. (Ord. No. 2002-11, 03/04/2002).
- (b) The oil and gas inspector shall inspect each location on an annual basis to assure the public safety. (Ord. No. 2002-11, 03/04/2002).
- (c) All pipeline appurtenances shall be painted and maintained in good condition. All valves shall be secured with locks to prevent malicious intent. Weeds, trash, and other fire hazards shall be removed from the area. Fencing and landscaping shall comply with Section 5-16-12. (Ord. No. 2002-11, 03/04/2002).
- (d) A metal sign, not less than two (2) feet square shall be posted and arranged in a design to clearly identify the buried pipeline and provide emergency phone numbers. (Ord. No. 2002-11, 03/04/2002).

- (e) All buried pipelines shall have approved warning signed posted and arranged in a design to clearly identify the buried pipeline and provide emergency phone numbers. *(Ord. No. 2002-11, 03/04/2002).*
- (f) All pipelines shall be tested by the operator ever three years for the purpose of determining whether it is in a safe condition and free from leaks. A report of the test supported by an affidavit by the person conducting the test shall be supplied to the city. *(Ord. No. 2002-11, 03/04/2002).*
- (g) Pipeline operators shall notify the oil and gas inspector prior to any pipeline repair or integrity testing. The oil and gas inspector must approve all integrity testing and repairs before workbegins. *(Ord. No. 2002-11, 03/04/2002).*

Sec 5-16-42. Applicability to Existing Conditions.

- (a) This chapter shall apply to any person drilling an original well, re-entering an abandoned well, conducting natural or artificial production projects or operations, or maintaining a disposal well within the city on the 25th day of October, 1984, and every such personshall have no longer than ninety (90) days to come into compliance with this chapter. Provided, that
 - (1) No initial permit fees shall be charged such person as would otherwise apply;
 - (2) No penalties shall be sought against any activity violative of this chapter where such activity pre-existed the adoption of this chapter and was otherwise in compliance with the applicable state law, rules, regulations, standards or directives
 - (3) The city manager may allow for reasonable extensions or variations for compliance with this chapter where to do so would be in the interests of fairness. *(Ord 1694, 10/25/84.)*

Sec 5-16-43. Penalties.

It shall be unlawful and an offense for any person to violate or neglect to comply with any provisionshereof irrespective of whether or not the verbiage of each section hereof contains the specific language that such violations or neglect is unlawful and is an offense. Any person who shall violate any of the provisions of this chapter, or any of the provisions of a drilling and operating permit issued pursuant hereto, or any condition of the bond filed by the permittee pursuant to this chapter, or who shall neglect to comply with the terms hereof, shall be fined in a sum not more than the maximum amount allowed by law plus court costs, and the violation of each separate provision of this chapter, and of the permit and of the bond, shall be considered a separate offense, and each day's violation of each separate provision thereof shall be considered a separate offense. In addition to the foregoing penalties, it is further provided that the city council at any regular or special sessions or meeting thereof, may, provided ten (10) days notice has been given to the permittee that revocation is to be considered at such meeting, revoke or suspend any permit issued under this chapter and under which drilling or producing operations are being conducted in the event the permittee thereof has violated any provision of the permit, the bond, of this chapter. In theevent the permit be revoked, the permittee may make application to the oil and gas inspector for re-issuance of such permit, and the action of the city thereon shall be final. Any continuing offense shall be considered a public nuisance, the remedies for which under law shall be in addition to those herein before enumerated. *(Ord 1694, 10/25/84.)*