

ORDINANCE NO 2004-1

AN ORDINANCE AMENDING THE PROVISIONS OF ORDINANCE NO. 2003-1, THE COMPREHENSIVE ZONING ORDINANCE OF THE TOWN OF ANNETTA NORTH, TEXAS, CONCERNING PROCEDURES FOR THE BOARD OF ALDERMEN TO ISSUE SPECIFIC USE PERMITS, THE CONDITIONS FOR THE ISSUANCE, REVOCATION AND AMENDMENT OF SPECIFIC USE PERMITS AND PROVIDING THAT PETROLEUM OR GAS WELLS MAY BE ESTABLISHED IN ANY ZONING DISTRICT WHEN AUTHORIZED BY A SPECIFIC USE PERMIT; PROVIDING THAT PETROLEUM OR GAS PIPELINES MAY BE ESTABLISHED IN ANY ZONING DISTRICT OR AREA OF THE CITY WHEN AUTHORIZED BY A SPECIFIC USE PERMIT; AMENDING THE PROVISIONS CONCERNING THE SUPPLEMENTAL REGULATIONS FOR PETROLEUM AND NATURAL GAS DRILLING AND PIPELINES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE; PROVIDING THAT VIOLATION OF THIS ORDINANCE IS PUNISHABLE BY A FINE OF NOT MORE THAN TWO THOUSAND DOLLARS; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF ANNETTA NORTH, TEXAS:

SECTION 1.

Ordinance No. 2003-1, the Comprehensive Zoning Ordinance, of the Town of Annetta North, Texas, as amended, is hereby amended to read as follows:

Section 12.1. General Requirements SPECIFIC USE PERMITS

1. The Board of Alderman of the Town of Annetta North may from time to time amend, supplement or change, by ordinance, the regulations, restrictions or boundaries of such districts herein or subsequently established, and may issue, revoke, or amend Specific Use Permits.

Section 12.1.A. Planning and Zoning Commission.

1. Application Required. Every proposal to issue, revoke or amend a Specific Use Permit, shall be filed with the Planning and Zoning Commission. An application may be filed by the owner of property, the owner of the mineral rights, his authorized agent, or the Board of Alderman.

2. Fee required. Every application shall be accompanied by the appropriate filing fee as provided in the Schedule of Fees and Charges adopted by the Board of Alderman. The

filing fee may be waived by the Planning and Zoning Commission or Board of Alderman only upon a finding that substantial error to the applicant has occurred through no fault of the applicant or his authorized representative. No fee shall be charged for proposals filed upon recommendation of the Board of Alderman.

3. Notice.

- (1) Written notice of all public hearings before the Commission on proposed changes in zoning classification, or on the proposed issuance, revocation or amendment of a Specific Use Permit, shall be sent to owners of real property lying within two hundred feet (200') of the property upon which the change in zoning classification, or the issuance, revocation or amendment of a Specific Use Permit, is proposed, such notice to be given not less than ten (10) days before the date set for hearing to all such owners who have rendered their said property for Town taxes, as the ownership appears on the last approved Town Tax Roll. Such notice may be served by depositing the same, properly addressed and postage paid, in the United States Mail. When property lying within two hundred feet (200') of the property proposed to be changed, or affected by the Specific Use Permit, is located in territory which was annexed to the Town after the final date for making the renditions which are included on the last approved Town Tax Roll, at least fifteen (15) days notice of the time and place of the public hearing shall be published in an official newspaper or a paper of general circulation in the Town. (See Section 11 B above)
- (2) On an application for the proposed issuance, revocation or amendment of a Specific Use Permit for a petroleum or gas well or a pipeline, the written notice of the public hearing pursuant to Section 3(1) hereof shall be sent to the owners of real property lying within six hundred feet (600') of the property to which the application relates. The other provisions of Section 3(1) shall remain applicable to such application.
- (3) The Town Secretary or his or her designee shall direct the erection of at least one (1) sign upon each property proposed to be rezoned, or proposed for the issuance, revocation or amendment of a Specific Use Permit. Where possible, such sign or signs shall be at a point or points nearest any right-of-way, street, roadway or public thoroughfare abutting such property. Such sign or signs shall be so erected not less than ten (10) days before the date set for public hearing before the Planning and Zoning Commission. Any such sign or signs shall substantially indicate that a zoning amendment, or the issuance, revocation or amendment of a Specific Use Permit, is proposed and shall further set forth that additional information can be acquired by telephoning the number indicated thereon. Such erection and/or the continued maintenance of any such sign or signs shall not be deemed a condition precedent to the holding of any public hearing, to the recommendation concerning the adoption of any proposed zoning amendment or any other official action concerning any such

amendment, or to the recommendation concerning the issuance, revocation or amendment of a Specific Use Permit.

4. Public hearing; recommendation. The Planning and Zoning Commission shall hold public hearings on all properly filed proposals. After closing of the public hearing on a proposal, the Planning and Zoning Commission shall transmit to the Board of Alderman its recommendation on said proposal.

Section 12.1.B. Board of Alderman Hearing.

1. Proposal recommended for approval. Every proposal to issue, revoke or amend a Specific Use Permit, which is recommended favorably by the Planning and Zoning Commission, and every proposed amendment to the regulations of this ordinance shall be forwarded to the Board of Alderman for setting and holding a public hearing thereon. No change, and no issuance, revocation or amendment of a Specific Use Permit, however, shall become effective until after the adoption of an ordinance for same and its publication as required by law.

2. Proposal recommended for denial; appeal. When the Planning and Zoning Commission determines that a proposal to issue, revoke or amend a Specific Use Permit, should be denied, it shall so report to the Board of Alderman. A denial by the Planning and Zoning Commission shall be affirmed by the Board of Alderman (either with or without prejudice as to refile) and shall be final unless an appeal is filed with the Secretary of the Commission within twelve (12) days following Commission action. An appeal from the decision of the Planning and Zoning Commission may be taken by any person who is aggrieved by the action of the Commission on a specific proposal. The appeal shall be reduced to writing showing that:

- (a) The Commission was prejudiced in its deliberation;
- (b) New information is available which was not considered by the Commission;
- (c) The Commission committed some error in its deliberation; or,
- (d) For other reasons, the requested change should be granted.

The Secretary shall forward the appeal to the Board of Alderman with the regular report of the Commission action on the subject proposal.

Upon the receipt of a written appeal, the Board of Alderman may:

- (a) Refer the original proposal and appeal to the Commission for a new hearing and a report and recommendation;
- (b) Schedule its own hearing on the proposal;
- (c) Deny the appeal in its entirety; or,

- (d) Deny the application without prejudice as to refile upon showing that unnecessary hardship will otherwise result and that the intent and spirit of the ordinance will be observed.

Section 12.1.C. SUP, Specific Use Permit.

1. Purpose. The purpose of the Specific Use Permit is to allow for review of uses which would not be appropriate generally or without certain restrictions throughout a zoning district, but, which, if controlled as to the number, area, location or relation to the neighborhood, would promote the health, safety and/or welfare of the community. The Specific Use Permit procedure is intended to allow broad public review and evaluation of the proposed land use and to ensure adequate mitigation of potentially unfavorable impacts.

2. Permit Required. A building permit or certificate of occupancy shall not be issued for any use to be located in a zoning district which permits that use only with a Specific Use Permit unless the Specific Use Permit has first been approved in accordance with the provisions of this ordinance.

3. Application Procedure. An application for a Specific Use Permit shall be filed with the Planning and Zoning Commission in accordance with the procedures for a zoning ordinance amendment. The application shall be accompanied by a site plan which, along with the application, will become a part of the Specific Use Permit, if approved. The accompanying site plan shall provide the following information:

- (1) Data describing all processes and activities involved with the proposed use;
- (2) Metes and bounds description of the area for which this Specific Use Permit is requested;
- (3) For non-residential uses: the location of each existing and proposed building and structure in the area covered by the site plan and the number of stories, height, roof line, gross floor area and location of building entrances and exits;
- (4) For residential uses: development data regarding lot configurations, minimum floor area, minimum setbacks, and maximum height;
- (5) The location of any existing or proposed drainage ways, and significant natural features;
- (6) Any proposed landscaping and screening buffers;
- (7) Any proposed public and private streets;
- (8) For non-residential uses: the location and dimensions of all curb cuts, parking and loading areas, pedestrian walks, lighting facilities, and outside trash storage facilities;

- (9) The location, height and type of any proposed wall, fence, and screening; and
- (10) The location, height and size of any proposed signs.

4. Public Hearings. The notification and public hearing process for a Specific Use Permit is set forth above.

5. Conditions for Approval. A Specific Use permit shall be issued only if all of the following conditions are found to exist:

- (1) The proposed land use with a Specific Use Permit will be compatible with and not injurious to the use and enjoyment of other property, nor significantly diminish or impair property values within the immediate vicinity.
- (2) The proposed land use with a Specific Use Permit will not impede the normal and orderly development and improvement of surrounding vacant property.
- (3) Adequate utilities, access roads, drainage and other necessary supporting facilities have been or will be provided.
- (4) The design, location and arrangement of all driveways and parking spaces provides for the safe and convenient movement of vehicular and pedestrian traffic without adversely affecting the general public or adjacent properties.
- (5) Adequate nuisance prevention measures have been or will be taken to prevent or control offensive odor, fumes, dust, noise and vibration.
- (6) Directional lighting will be provided so as not to disturb or adversely affect neighboring properties.
- (7) There are sufficient landscaping and screening to insure harmony and compatibility with adjacent property.
- (8) That the well and the drilling site, including all equipment and temporary improvements are not within one thousand feet (1,000') of a residence.

6. Additional Conditions.

- (1) The Planning and Zoning Commission may recommend to the Board of Alderman that certain safeguards and conditions concerning the operation, setbacks, ingress and egress, off-street parking and loading arrangements, landscaping and screening, location and construction of buildings and uses, term limits, and other safeguards and conditions, be required.

- (2) The Board of Alderman may, in the interest of the public welfare and to assure compliance with the intent of this ordinance, require such development standards and operational conditions and safeguards as the Board of Alderman finds to be necessary to the welfare and protection of adjacent property and the community as a whole.

7. Time Limit. A Specific Use Permit issued under this Section shall be valid for a period of eighteen (18) months from the date of issuance and shall become null and void unless construction or use is substantially underway during said eighteen (18) month period, or unless an extension of time is approved by the Board of Alderman.

8. Revocation. A Specific Use Permit may be revoked or modified, after notice and hearing, for either of the following reasons:

- (1) The Specific Use Permit was obtained or extended by fraud or deception;
or
- (2) One or more of the conditions imposed by the Board of Alderman has not been met or has been violated.

9. Amendments. The procedure for amendment of a Specific Use Permit shall be the same as for a new application, provided, however, that the Board of Aldermen may approve minor variations from the original Specific Use Permit which do not increase density, change traffic patterns, or result in any increase in external impact on adjacent properties or neighborhoods.

10. Processing Fee. A fee shall be required for the processing of each Specific Use Permit request in accordance with the Schedule of Fees and Charges approved by the Board of Alderman.

11. Transfer of Permit. Specific Use Permits granted under this Ordinance shall be transferable upon approval of the Board of Alderman, after a determination that all requirements of this Ordinance are met by the transferee. The current holder of a Specific Use Permit shall notify the Town when property to which a Specific Use Permit applies is sold. The purchaser of the property shall apply to the Town for transfer of the Specific Use Permit within 15 days after purchasing the property.”

SECTION 2.

That Ordinance No. 2003-1, the Comprehensive Zoning Ordinance of the Town of Annetta North, Texas, as amended, is hereby amended by adding Section 10.1 to read as follows:

“Section 10.1 Petroleum and Natural Gas Drilling and Pipelines - Supplemental Regulations

A. Purpose of Section.

1. The drilling of petroleum and natural gas wells and the placement of related pipelines is regulated by the State of Texas Railroad Commission. Neither the Town of Annetta North nor this section seeks to change, over-ride, modify or affect those state regulations. It is the intent of this section to add supplemental regulations that will protect the health and safety of the citizens of Annetta North.
2. The purpose of this section is to provide rules and regulations concerning the location, maintenance and servicing routes, screening and landscaping of petroleum and natural gas wells and pipelines in the Town. The Town by this section seeks to allow owners of mineral rights to drill and produce petroleum or gas but to do so in a manner that is not detrimental or hazardous to neighboring business or residential areas.
3. Main transmission pipeline cooling or compression facilities are not allowed in any zoning district in the Town of Annetta North.
4. Air or pneumatic drilling is not allowed in the Town.
5. Water wells drilled to assist or support gas well drilling must be drilled into the at least the Trinity Aquifer; use of sands or aquifer above the Trinity Aquifer is prohibited.

B. Definitions.

For the purposes of this section the following words and terms wherever and whenever used or appearing herein shall have the scope and meaning hereafter defined and set out in connection with each:

1. “Abandonment” means “abandonment” as defined by the Texas Railroad Commission and includes the plugging of the well and the restoration of any well site as required by this Ordinance.
2. “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.
3. “Town” means the Town of Annetta North and shall include any duly authorized representative of the Town.
4. “Commission” means the Texas Railroad Commission.
5. “Drill site” means any of the land area used in the drilling of wells or other related operations, specifically including, but not limited to, rig locations, portable or permanent structures, steel mud pits, storage of pipe or other materials, and the parking or maneuvering of vehicles, except roadways used for ingress or egress to the drill site.

6. “Inspector” means the Petroleum and Gas Inspector designated by the Board of Alderman.
7. “Lightning Arrestor” means a device to protect a tank battery from lightning.
8. “Operator” means, for each well, the person listed on the Railroad Commission Form W-1 or Form P-4 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 defined herein, is not the lessee under a petroleum or gas well of any premises affected by the provisions of this Ordinance, then such lessee shall also be deemed to be an Operator. In the event that there is no petroleum or gas lease relating to any premises affected by this Ordinance, the owner of the fee mineral estate in the premises shall be deemed an Operator.
9. “Park” means a public area where children would play, such as a playground with playground equipment, or an area for organized sports such as a baseball or soccer field. For the purpose of this definition and this ordinance, jogging, walking, or running paths or trails are not considered to be a park.
10. “Permittee” means the person to whom a permit or certificate for the drilling, operation and production of a well, or the installation or operation of a pipeline, is issued under this ordinance, or his or her heirs, legal representatives, successors, or assigns.
11. “Person” means any individual, corporation, association, partnership, receiver, trustee, guardian, executor, administrator or a fiduciary or representative of any kind.
12. “Pipeline” means any pipeline that carries petroleum or natural gas, regardless of the size of the pipeline, the owner of the line, or the owner of the petroleum or natural gas within the pipeline.
13. “Property owner” means the real property surface record owner(s).
14. “Right-of-way” means all public rights-of-way of streets or other public property within the Town of Annetta North.
15. “Start of construction” means moving earth or assembling equipment for well drilling or pipeline installation.
16. “Street” means any street, highway, sidewalk, alley, avenue, public parking area, or other public right-of-way, including the entire right-of-way.
17. “Well” means any hole or holes, bore or bores, to any sand, horizon, formation, strata or depth, for the purpose of producing any oil, gas, liquid hydrocarbon, brine, water or sulfur water for use as an injection well for secondary recovery, or any of the above singularly or jointly.

18. All technical or oil and gas industry words or phrases used herein and not specifically defined shall have that meaning customarily attributable thereto by prudent operators in the oil and gas industry.

C. Petroleum and Gas Inspector

1. The Board of Alderman shall designate a Petroleum and Gas Inspector who shall enforce the provisions of this Ordinance. The Petroleum and Gas Inspector shall have a degree in petroleum engineering with a background in drilling and production or demonstrate a proven background in the drilling, production, and operation of petroleum and gas wells. The Petroleum and Gas Inspector shall have the authority to issue any orders or directives required to carry out the intent and purpose of this Ordinance and its particular provisions. Failure of any person to comply with any such order or directive shall constitute a violation of this Ordinance.
2. The Petroleum and Gas Inspector shall have the authority to enter and inspect any premises covered by the provisions of this Ordinance to determine compliance with the provisions of this Ordinance and all applicable laws, rules, regulations, standards or directives of the State. Failure of any person to permit access to the Petroleum and Gas Inspector shall constitute a violation of this Ordinance. The Petroleum and Gas Inspector may conduct periodic inspections at least once a year of all permitted wells in the Town to determine that the wells are operating in accordance within proper safety parameters as set out in this Ordinance and all regulations of the Commission. Such inspections will be billed to the operator in accordance with the Town of Annetta North Fee Schedule.
3. The Petroleum and Gas Inspector shall have the authority to request and receive any records, including any records sent to the Commission, logs, reports and the like, relating to the status or condition of any permitted well necessary to establish and determine compliance with the applicable Permit. Failure of any person to provide any such requested material shall be deemed a violation of this Ordinance.

D. 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 Ordinance may be served in person or by registered or certified mail. Every Operator so designating such agent shall within ten (10) days notify the Town Secretary in writing of any change in such agent or such mailing address unless operations within the Town are discontinued.

E. Specific Use Permit Required.

1. In accordance with this ordinance, drilling for petroleum or natural gas or installation of petroleum or natural gas pipelines in the Town of Annetta North is only allowed by the issuance of a Specific Use Permit issued as provided herein. A Specific Use Permit is required for each well to be drilled and for each pipeline

to be installed. In the case where a property owner, mineral rights lessee or other party is seeking to drill multiple wells, a concept plan showing the location of all envisioned wells and pipelines planned shall be submitted to the Planning and Zoning Commission with the initial request for a Specific Use Permit. A Specific Use Permit must be obtained from the Town of Annetta North prior to the start of any earthwork, construction or drilling activities.

2. An owner, lessee, or other party must acquire a Specific Use Permit from the Town of Annetta North prior to re-entering any producing or abandoned well if the intent is to drill deeper.
3. When a Specific Use Permit has been issued for the drilling or re-entering of a well, such permit shall constitute sufficient authority for drilling, operation, and production of any petroleum or gas produced by the well, maintenance, repair, testing, plugging, and abandonment of the well, and for the construction and use of all facilities reasonably necessary or convenient in connection therewith shown on the Specific Use Permit application.

A separate application for a gas or petroleum pipeline will be required when its proposed location becomes defined, but prior to the start of work to construct the pipeline. The fee for pipeline applications will be as stated in the Town of Annetta North Fee Schedule.

In addition to the application fee, the authorized agent for the pipeline must enter into a right-of-way license agreement with the Town of Annetta North prior to the beginning of operation of the pipeline if the pipeline will occupy any public thoroughfare or property of the Town of Annetta North.

4. Any existing well or pipeline brought into the Town through annexation will be grandfathered and no Specific Use Permit will be required for continued operation of that well or pipeline. Within 30 days of the well or pipeline being annexed into the Town, the owner or authorized agent must deliver in writing the following information to the Town.
 - a. The name, address, and contact phone number of the owner or authorized agent of the well or pipeline.
 - b. The name, addresses, and phone numbers of persons to be notified in case of an emergency.
 - c. The name, address and phone number of the surface rights owner(s).
 - d. A Statement certifying the well or pipeline complies with all the requirements of the Texas Railroad Commission.
 - e. An accurate map of the location of the well or pipeline showing relationship to property lines, lot lines, right-of-ways or public easements.

F. Application for Specific Use Permit

In addition to the information required under Section 4.5 of the Comprehensive Zoning Ordinance of the Town of Annetta North, an application for a Specific Use Permit for petroleum or gas drilling or pipelines shall contain the following information:

1. The date of the application.
2. The name and signature of the applicant.
3. The address of the applicant.
4. The name, address, and phone number of persons to be notified in case of an emergency at the well site or pipeline site.
5. The names and addresses of all property owners who own property within 600 feet of the proposed well site or pipeline site.
6. The name of the lease owner or pipeline owner.
7. The name of the surface rights owner.
8. A Statement certifying the lease or pipeline owner complies, or will comply, with all the requirements of the Texas Railroad Commission.
9. Location of the well site or pipelines with respect to property lines, lot lines, right-of-way or public easement boundaries and the location and owner(s) of any residence, commercial structure, or public building if located within 600 feet of the proposed well or pipeline site.
10. The proposed depth of the well, bore size, and type of casing or in the case of pipelines, the type, size, estimated operating pressure and location depth of any such pipelines.
11. A drill site plan showing the location and layout of all associated equipment such as separators and tanks to be located on the well or pipeline site during the production phase of the well or pipeline and also showing well or pipeline site access and drive approaches with distances to the nearest intersections and adjacent or cross-drives and off site traffic access routing plan.
12. A traffic routing plan showing off site equipment and truck access to well site and tanker fill location(s) if within the Town.
13. A copy of approved Texas Railroad Commission Form 1 for the well shall be furnished to the Town Secretary prior to the beginning of actual drilling operations.

14. A drawing or other written instrument showing the type, height, design and location of proposed screening to hide the producing well from view.
15. In the case of a pipeline that utilizes public thoroughfares, a right-of-way license agreement from the Town of Annetta North signed by the authorized agent for the pipeline.

G. Where Well Drilling or Pipelines Will Be Allowed.

1. Under this ordinance, petroleum or gas wells may be drilled in any area or zoning district of the Town if a Specific Use Permit has been granted to authorize such use.
2. Under this ordinance, petroleum or gas pipelines may be installed in any area or zoning district of the Town if a Specific Use Permit has been granted to authorize such use.
3. In no case shall a well or tank battery be located within one thousand feet (1,000') of a school or park, or one thousand feet (1,000') from a residence. In no case shall a school, park, or residence be located within 200 feet of an existing well or tank battery.
4. A well may not be drilled when the center of which, at the surface of the ground, is located within 75 feet of any right-of-way, or existing public thoroughfare or any future public thoroughfare shown on the Town of Annetta North Thoroughfare Plan.

H. Bonds and Insurance

1. A surety bond (Attachment "A"), irrevocable letter of credit approved in the amount of \$50,000 (Attachment "B"), or cash escrow shall be filed with the Town prior to the issuance of a Specific Use Permit. The bond shall be issued by an insurance company authorized to issue bonds in the State of Texas by the Texas State Board of Insurance. The bond, in favor of the Town, shall be surety that the applicant will comply with all of the terms, conditions, and requirements of this ordinance and any permit issued pursuant to the application. Further, the bond is surety that the applicant will repair any damage to Town thoroughfares or public or private property caused by the drilling operations or by the applicant's vehicles or personnel based on determination of damage by the Town. The bond or letter of credit must remain in force until 90 days after the well starts producing or after the pipeline starts transporting petroleum or natural gas.
2. In addition, the applicant shall file with the Town a copy of a current standard comprehensive public liability insurance policy including contractual coverage for accidental death, bodily injury, and property damage. The policy will name both the applicant and the Town as insureds. The issuing company shall be an insurance company authorized by the State of Texas to issue policies in the state. The insurance policy shall be filed with the Town prior to the applicant receiving

the approved Specific Use Permit and prior to commencing any operations at the well site or pipeline. In the event that the policy is canceled, the Town may cancel or suspend any permit issued in connection with the canceled policy and all drilling or production operations must cease immediately. The permit shall remain ineffective until the Town receives a certification of current insurance coverage. The insurance coverage must remain in effect until all equipment has been removed from the well site and the well has been plugged and abandoned, or in the case of a pipeline, until the pipeline has been abandoned in accordance with State of Texas rules and regulations. The minimum coverages shall be set by a resolution.

I. Use of Public Thoroughfares

1. No permittee shall make any excavations for any purpose or construct any pipelines under or through public thoroughfares without a right-of-way license agreement from the Town, and then only in strict compliance with the ordinances of the Town and the specifications established by the Department of Public Works.
2. No permittee shall dig up, break, excavate, tunnel, break up, damage or leave anything on any public thoroughfare without written permission from the Town, and then only in compliance with specifications established by the Town.
3. For vehicular safety reasons, it is the permittee's responsibility to immediately remove substantial accumulations of dirt, dust, mud or other debris deposited on Town thoroughfares by vehicles involved in the well drilling or servicing or pipeline installation process. Removal may be by manual means or by mechanical means such as a street sweeper.

J. Rig Removal

The drilling rig and associated drilling equipment shall be removed from the well site within 30 days of the completion of the well or drilling activities.

K. Blowout Prevention

1. 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 petroleum or gas operations as required by and in conformance with the requirements of the 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 Commission.

2. 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 Ordinance and shall notify the Petroleum and Gas Inspector as soon as practicable. The Petroleum and Gas Inspector shall certify in writing, briefly describing the same, to the Town Administrator. If the Petroleum and Gas Inspector, 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 Petroleum and Gas Inspector 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 Petroleum and Gas Inspector deems necessary to regain control of such well. The Town 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 Town pursuant to such action of the Petroleum and Gas Inspector in gaining control of said well.

L. Additional Safety Requirements

For safety reasons, if the drilling site is located within 600 feet of a residence, school, park or public building, the drilling activities must be closed to the public by a secure chain link type fence at least 6 feet tall with razor or barbed wire at the top of the fence with a gate that must remain locked if no one is on the site. If such cannot be economically provided, watchmen must be on duty from the beginning of the drilling activities until the well is completed and the drilling equipment removed from the drill site.

M. Waste from Drilling or Pipeline Operations

All wastes from drilling or pipeline installation operations must be contained on the drilling or pipeline site and must be removed within 30 days of the completion of the well or drilling activities or pipeline installation.

N. Clean Up Activities

Within 90 days of the completion of the well or pipeline or within 30 days of a subsequent fracturing process, the area around the well or pipeline shall be cleaned up and all material associated with the drilling or fracturing activity must be removed. In addition, any land surface or surfaces, other than access roads or permanent facilities, which have been damaged or disturbed by the drilling or excavation or servicing activity shall be brought back to their original pre-excavation, pre-drilling, or pre-fracturing condition.

O. Required Inspections

The following inspections are required:

1. Surface Casing

The Operator's agent shall notify the Petroleum and Gas Inspector in writing (email, fax, or U. S. Postal mail) at least 72 hours prior to running and cementing surface casing. The procedures to be followed in this operation shall be as provided in Cementing, Rule No. 13 of the Commission. In addition the following shall be required:

- (a) Centralizers (1 per 100 ft. or 10 per 1,000 ft.)
- (b) New surface casing required
- (c) Adequate or proper floating equipment
- (d) Class "H" or Class "C" cement with accelerators
Example: Class "C" with 3% CaCl₂
- (e) Cement circulated to surface. If not, cement with 1" tubing & top off
- (f) Wait on cement a minimum of 8 to 12 hrs
- (g) Use a minimum of 1000 ft. of surface casing
- (h) Test Blow out Preventor before drilling out of surface casing to 1000 psi

2. Completion

The Operator's agent shall notify the Petroleum and Gas Inspector in writing at least 72 hours prior to starting completion procedures such as perforating and fracing. The well must be equipped with a blowout preventer before this operation is commenced. Also, if a bridge plug is set over a producing formation prior to additional completion, it must be pressure tested to a sufficient pressure to ensure that it is not leaking.

3. Pipeline Hookup

The Operator's agent shall notify the Petroleum and Gas Inspector in writing at least 72 hours prior to the first sale. The tank battery shall be equipped with a lightning arrestor. If gas well permit were revoked for any reason by City of Annetta North, this would involve First Sales being denied.

4. Final Acceptance

Within 30 days of the start of production of a well, or of the operation of a pipeline, the Petroleum and Gas Inspector will inspect and accept or reject the well site or pipeline installation site "clean-up" and permanent provisions for security and screening of the well site. The Petroleum and Gas Inspector will provide the permittee written notification of acceptance within 10 working days. If the "clean-up" or proposed provisions for security and screening are rejected by the Town, the permittee will be notified of the rejection and the reasons for the rejection in writing within 10 working days. The permittee must take action to nullify and correct the reasons for rejection within 30 calendar days from the notification. Final inspection violations not being completed timely may involve gas well permit being revoked and operator's permitted well required to be shut-in until the violation is resolved and gas well permit reinstated.

P. Operations and Equipment; Practices, Standards, and Appearance

1. All drilling and pipeline operations shall be conducted in accordance with the practices of a reasonable and prudent operation in the State of Texas. All material, equipment, and testing used shall be of a quality and type consistent with such practice. Internal combustion engines used on the well or pipeline site must be fitted with exhaust mufflers. For production purposes, only electrically or natural gas powered compressors or motors may be used.
2. Each permittee shall take special care that no ground water is contaminated by the drilling, pipeline installation or production activities. All rules of the Federal Government, the State of Texas, and the Town of Annetta North regarding protecting natural resources must be strictly followed.
3. Drilling and pipeline production operations shall be conducted in such a manner as to minimize noise, vibration, dust, odors, or other nuisances.
4. Fire fighting apparatus and supplies approved by the Petroleum and Gas Inspector shall be kept on the well site during the drilling and fracturing processes. A Fire Department safety and training fee as set in the fee schedule.
5. No refining of any kind, except for gas dehydrating and physical phase separation, shall take place at the well site.
6. The well site shall not be allowed to become dilapidated, unsightly, or unsafe.
7. The well or pipeline site shall not be used to store pipe, drilling equipment or materials after the drilling or pipeline installation operation has ceased.
8. No refining plant or main line compression station or cooling plant shall be allowed in the Town of Annetta North at any time.
9. Flaring or burning of gas or petroleum of any kind after the well is in production is prohibited. Temporary flaring or burning to accommodate public safety may be performed but only when approved by the Petroleum and Gas Inspector.
10. Each well shall have a permanent sign, not larger than 9 square feet in size which provides the well name or number, the owner or permit holder and emergency phone number. The sign may be attached to the fence or any screening wall surrounding the well site.
11. Each permittee shall place an identifying warning sign at any point where a pipeline crosses a public thoroughfare.
12. Prior to any pipeline being placed in service, it shall be proof pressure tested in accordance with industry standards.

13. The pressure in flow or gathering pipelines within the Town must not exceed 300 psi unless any higher pressure is indicated in the application for specific use permit and special precautions are presented and approved with the application.
14. Pipelines shall be constructed, buried and covered in accordance with industry standards and the regulations of the State of Texas.
15. When measuring the distance between a well or pipeline and the closest residence, school, or public building, the distance shall be measured in a straight line from the nearest equipment at the well site to the nearest part of the structure of the residence or public building or to the nearest property line of a school or park.
16. Multiple “slant drill” wells at one well site are acceptable as long as all other requirements of this Ordinance are met. Consolidation of storage tanks in such cases is encouraged.
17. All associated lighting shall be directed so as not to disturb or be a nuisance to any neighboring business or residential areas. Lighting or glare may not be directed so as to be a safety hazard to vehicles or pedestrians on public thoroughfares.
18. The permittee of a well and/or pipeline must plan and execute the construction of the well site and/or pipeline such that no flood conditions are created or worsened on surrounding land and that no flooding conditions are created or allowed at the well or pipeline site.
19. Once a well is established and producing petroleum or gas, the well head, tank(s) (equipped with a lightning arrestor) and all associated equipment must be screened from horizontal view (360 degrees) by solid walls (except doors or entrances) constructed of brick, stone or masonry, berms, landscaping, or a combination of these methods; or as approved on the permit. Wood is not an acceptable construction material. Such screening must be tall enough to screen all parts of the wellhead and major pieces of equipment, other than the liquid holding tank, from view. The screening must be visually pleasing and blend with the construction of other structures in the general area. Screening using walls and or berms must be in place 60 days after the last permitted well at a site is in production. Because of the hot Texas summer climate, completion of the landscaping (plants, trees, etc.) may be extended until 6 months after the well is in production. Access to well heads and associated equipment must be secured by a six foot tall enclosure and a positive locking device for safety reasons. The landowner may petition the Board of Aldermen to waive all or part of this paragraph. All tanks shall be painted a shade of green that has been approved by the Town.
20. Where minimum screening is proposed and approved for a well in a currently undeveloped area, if the immediate area later develops into a residential

neighborhood, park or school, the permittee of the well shall be required to improve the screening to an acceptable level for the developed area.

21. The area surrounding the wellhead, associated equipment, and screening wall must be landscaped to blend with the local area. Trees and shrubbery used in the landscaping must be of good quality and must be compatible with the soils and climate in the Annetta North area. Landscaping must be maintained to keep the trees and shrubbery in good health and pleasing to the eye.
22. All roadways providing access to the completed well or pipeline for servicing or any other reason must be of all weather design and must be constructed of gravel, crushed road base, HMAC pavement or reinforced concrete. All associated parking areas must also be of the same or better construction. Drive approaches shall have hydraulically sized CMP or RCP culverts and precast safety end treatment.
23. Vehicles and personnel providing periodic maintenance to a well or pipeline must not impinge upon the health or safety of residents in the surrounding area.
24. The permittee of a well or pipeline must ensure that no environmental or personal hazards are allowed to develop or remain on the site. The detection of any such hazards must be reported to the Town of Annetta North immediately. The cost of any cleanup operation due to hazards associated with the well shall be the responsibility of the permittee.
25. The permittee of a well must assure that no contaminants associated with the well or pipeline or its operation are allowed to contaminate surface or ground water supplies in the Town of Annetta North.
26. Any on-site storage tanks must be surrounded by a containment berm and shall be fitted with a lightning arrestor. The berm shall be designed to contain an amount of liquid equal to 150% of the capacity of the tank or tanks.
27. "Fracturing" of a well may only be performed in accordance with TRC rules and regulations.
28. The location of all pipelines must be marked with the warning signs in accordance with industry standards. Within the Town of Annetta North, the distance between such signs shall not exceed 500 feet. In addition, during backfill of pipeline excavations, "Buried Pipeline" warning tape shall be buried one (1) foot above the pipeline to warn future excavators of the presence of a buried pipeline.
29. All producing wells shall be inspected annually and a formal report and filling fee shall be filed with the Town.

Q. Abandonment of Wells and Pipelines.

Upon abandonment of a well or well site, within two months, the well shall be plugged in accordance with the Texas Railroad Commission standards, the site shall be cleaned and cleared of equipment, holes or excavations filled, and the land graded and returned to its original condition including replanting of vegetation to match the surrounding area. Upon abandonment of a pipeline, within two months of abandonment, a pipeline must be decommissioned in accordance with the rules and regulations of the State of Texas in effect at that time.”

SECTION 3.

Section 5(10) of Ordinance No. 2003-1, the Comprehensive Zoning Ordinance, of the Town of Annetta North, Texas, is hereby amended to read as follows:

“(10) Prohibited uses:

The following uses have a tendency to violate the provisions for home occupations, and thereby, impair the character of residential areas. Therefore, the uses specified shall not be permitted: auto repairs, animal feed lots, painting of vehicles or boats, private schools (excluding home schooling), photo studios, dance instruction, television repair, gravel pits, oil and gas wells without Specific Use Permit and child day care center.”

SECTION 4.

It is hereby declared to be the intention of the Board of Alderman that the phrases, clauses, sentences, paragraphs and sections 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, and sections of this ordinance, since the same would have been enacted by the Board of Alderman without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 5.

This ordinance shall be cumulative of all provisions of existing ordinances of the Town of Annetta North, except where the provisions of this ordinance are in direct conflict with the provisions of an existing ordinance, the conflicting provisions of the existing ordinance are repealed.

SECTION 6.

Any person found guilty of violating any of the provisions of this ordinance shall be fined not more than \$2000.00 and each and every violation of the various provisions of this ordinance shall constitute a separate offense, as shall each day that such violation continues.

SECTION 7.

The Town Secretary is directed to publish this ordinance, or its caption, penalty clause and effective date, in one issue of the official city newspaper as required by Section 52.011 of the Texas Local Government Code.

SECTION 8.

This ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED on this 19th day of January, 2004.

Mayor

ATTEST:

Town Secretary