



## Legislation Details (With Text)

**File #:** 14-897      **Version:** 1      **Name:** Oil and Gas Regulations and Fees  
**Type:** Ordinance      **Status:** Agenda Ready  
**File created:** 12/5/2014      **In control:** City Council Regular  
**On agenda:** 1/22/2015      **Final action:**

**Title:** Public Hearing, presentation, possible action, and discussion regarding adoption of an ordinance amending Chapter 4 "Business Regulations", Section 13 "Oil and Gas Regulations" of the Code of Ordinances, City of College Station, Texas; and amending Chapter 14 "Service Fees", Section 14-6 "Development services", Subsection A "Oil and gas development application fees" the Code of Ordinances, City of College Station, Texas.

**Sponsors:** Alan Gibbs

**Indexes:**

**Code sections:**

**Attachments:** [1-Oil and Gas Ordinance 1-16-2015.pdf](#)  
[2-Road Maintenance Agreement 1-16-2015.pdf](#)  
[3-Acceptance Indemnity and Financial Agreement 1-16-2015.pdf](#)  
[4-Fee Resolution 1-16-2015.pdf](#)

Date	Ver.	Action By	Action	Result
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Public Hearing, presentation, possible action, and discussion regarding adoption of an ordinance amending Chapter 4 "Business Regulations", Section 13 "Oil and Gas Regulations" of the Code of Ordinances, City of College Station, Texas; and amending Chapter 14 "Service Fees", Section 14-6 "Development services", Subsection A "Oil and gas development application fees" the Code of Ordinances, City of College Station, Texas.

### Relationship to Strategic Goals:

- Good Governance
- Neighborhood Integrity
- Diverse Growing Economy

**Recommendation(s):** Staff recommends adopting the ordinance amendment and approval of the resolution setting the associated fees.

**Summary:** This item is to consider a proposed ordinance amendment that would update local regulations for permitting Oil and Gas Operations, as well as a resolution to update the associated fees.

**Reviewed and Approved by Legal:** Yes

**Budget & Financial Summary:** n/a

Attachments:

1. Ordinance Amendment (On file in City Secretary's Office and available on-line at the city's website)
2. Road Maintenance Agreement (On file in City Secretary's Office and available on-line at the city's website)
3. Acceptance, Indemnity and Financial Assurance Agreement (On file in City Secretary's Office and available on-line at the city's website)
4. Fees Resolution (On file in City Secretary's Office and available on-line at the city's website)

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING CHAPTER 4, "BUSINESS REGULATIONS", OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, BY AMENDING SECTION 4-13, "OIL AND GAS REGULATIONS" AS SET OUT BELOW; AND AMENDING CHAPTER 14, "SERVICE FEES", OF THE CODE OF ORDINANCES OF THE CITY OF COLLEGE STATION, TEXAS, BY AMENDING SECTION 14-6 "DEVELOPMENT SERVICES", SUBSECTION A. "OIL AND GAS DEVELOPMENT APPLICATION FEES", AS SET OUT BELOW; PROVIDING A SEVERABILITY CLAUSE; DECLARING A PENALTY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

PART 1: That **Chapter 4, "BUSINESS REGULATIONS", Section 4-13, "OIL AND GAS REGULATIONS"** of the Code of Ordinances of the City of College Station, Texas, be amended as set out in **Exhibit "A"**, attached hereto and made a part of this ordinance for all purposes.

PART 2: That **Chapter 14, "SERVICE FEES", Section 14-6 "DEVELOPMENT SERVICES", Subsection A. "OIL AND GAS DEVELOPMENT APPLICATION FEES"** of the Code of Ordinances of the City of College Station, Texas, be amended as set out in **Exhibit "B"**, attached hereto and made a part of this ordinance for all purposes.

PART 3: That if any provisions of any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way effect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

PART 4: That any person, firm, or corporation violating any of the provisions of this chapter shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable by a fine of not less than Twenty-five Dollars (\$25.00) nor more than Two Thousand Dollars (\$2,000.00). Each day such violation shall continue or be permitted to continue, shall be deemed a separate offense. Said Ordinance, being a penal ordinance, becomes effective ten (10) days after its date of passage by the City Council, as provided by Section 35 of the Charter of the City of College Station.

PASSED, ADOPTED and APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**APPROVED:**

\_\_\_\_\_  
**Mayor**

**ATTEST:**

\_\_\_\_\_  
**City Secretary**

**APPROVED:**

\_\_\_\_\_  
**City Attorney**

## EXHIBIT "A"

That Chapter 4, "BUSINESS REGULATIONS", Section 4-13, "OIL AND GAS REGULATIONS" of the Code of Ordinances of the City of College Station, Texas, hereby is amended to read as follows:

### Chapter 4 BUSINESS REGULATIONS

#### Sec. 4-13. Oil and Gas Regulations.

##### A. Definitions.

Oil and gas industry words or phrases not defined herein shall have the meaning customarily attributable to them in the oil and gas industry.

1. **Abandonment** means "abandonment" as defined by the Commission and includes the restoration of the Drill Site as required by this Ordinance.
2. **Air Quality Monitoring Plan** means the reporting of the equipment, location, methods, frequency and processes to be utilized to assure compliance with all US Environmental Protection Agency (USEPA) and Texas Commission on Environmental Quality (TCEQ) laws and regulations and this Ordinance governing emissions generated at Oil or Gas Operations Site.
3. **Approved Type and Approved Design** means improvements, equipment, or facilities of a type or design approved by the Commission, Fire Department, or Consultant.
4. **Area** means property within a radius of one thousand (1,000) feet of the perimeter of an Oil or Gas Operations Site.
5. **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 to completely close the top of the casing and prevent blowout.
6. **Cellar** means an excavation around and above the top joint of the Well casing.
7. **City** means the City of College Station, Texas.
8. **City Attorney** means the City Attorney of the City.
9. **City Code** means the Code of Ordinances of the City.
10. **City Council** means the City Council of the City.
11. **City Engineer** means the City Engineer of the City.
12. **City Manager** means the City Manager of the City.

13. **City Oil and Gas Inspector** means the person appointed by the City Engineer to conduct inspections, make reports and recommendations, and impose restraints, restrictions and issue citations including the requirement to halt operations, relative to the conduct of Oil or Gas Operations within the City.
14. **Commission** means the Texas Railroad Commission.
15. **Completion of Drilling** means the date work is completed after Drilling, completing or Hydraulic Fracturing, and the crew is released by completing their work, contract, or by their employer.
16. **Comprehensive Plan** means the Comprehensive Plan of the City.
17. **Consultant** means such person(s) familiar with and educated in the oil and gas industry or the law as it relates to oil and gas matters who may be retained from time to time by the City. Any Consultant retained by the City under this Ordinance shall have the authority as the City Oil and Gas Inspector.
18. **Council** means the City Council of the City.
19. **Department of Water Resources** means the Texas Department of Water Resources.
20. **Derrick** means any framework, tower, mast, or structure required or used to drill, re-enter, re-work, operate, or maintain a Well.
21. **Desertion** means the cessation of the operation at any Drill Site without compliance with this Ordinance relating to suspended operations, idle wells, or Abandonment.
22. **Disposal Well** means any Well converted, drilled or intended to be converted or drilled, to inject fluids under pressure, including salt water, brine water, produced or flow-back water, solutions and liquids containing solids in suspension, produced from any Well into subsurface zones not productive of potable water, oil or gas or other hydrocarbons.
23. **Drilling** means any digging or boring of a New Well or Re-entry of an existing Well, to explore, develop, or produce oil, gas, or other hydrocarbons, or to inject gas, water, or any other fluid or substance into the earth.
24. **Drilling Equipment** means the Derrick, all parts and appurtenances to such structure, and every piece of apparatus, machinery, or equipment used, erected, or maintained for Drilling.
25. **Drill Site** means the premises used during the Drilling, Re-entry or Re-working of a Well located there.
26. **Emergency Response Plan** means the plan drafted by, maintained, updated as necessary and submitted by the Operator to the Fire Chief and City Engineer describing the practices and procedures, including an evacuation plan, to be implemented if an emergency event occurs on an Oil or Gas Operations Site, Drill Site or other facility or equipment in the care, custody or control of the Operator or is caused by activity of the Operator.
27. **Exploration** means geologic or geophysical activities, including seismic surveys, related to the search for oil, gas, or other subsurface hydrocarbons.

28. **Fire Chief** means the Fire Chief of the City.
29. **Fire Department** means the Fire Department of the City.
30. **Fluids** means any gas or liquid.
31. **Gas** means any fluid, either combustible or non-combustible, which is produced in a natural state from the earth and which maintains a gaseous or rarified state at standard temperature and pressure conditions, and/or the gaseous components or vapors in or derived from petroleum or natural gas.
32. **Gas Well** means any Well drilled, re-entered, or to be drilled, or used for the intent or actual production of natural gas.
33. **Hydraulic Fracturing (also frac'ing, fracking, or hydrofracturing)** means a well-stimulation technique in which rock is fractured by a hydraulically pressurized liquid. A high-pressure fluid (usually chemicals and sand suspended in water) is injected into a wellbore to create cracks in the deep-rock formations through which natural gas, petroleum, and brine will flow more freely.
34. **Lessee** means a person or entity who has acquired an oil or gas lease or sublease, or the owner of the land or minerals, or his heirs, who conducts or carries on any oil or gas exploration, development, and operation thereof, or a person conducting the operation for himself or others.
35. **Lessor** means the owner of mineral rights who has executed an oil and gas lease. The Lessor may also own the surface rights.
36. **Maintenance** means the repair or replacement of any machinery, equipment, apparatus, structure, facility, or parts used with an Oil or Gas Operations, site, Drill Site, or any other work to reduce fire hazards or hazards to employees, public health, safety, and welfare.
37. **New Well** means a new well bore or new hole established at the ground surface and shall not include Re-entry or Re-working of an existing Well not abandoned.
38. **Noise** means any sound which annoys or disturbs humans or is unwanted or which causes an adverse psychological effect on human beings.
39. **Noise Disturbance** means any sound which endangers or injures the health of humans or disturbs a reasonable person of normal sensitivities.
40. **Oil or Gas Operation** means construction, maintenance, or use, of any installation, facility, or structure, directly or indirectly, to carry out or facilitate one (1) or more of the following functions: repair, development, Drilling, Re-entry, Re-working, production, recovery, storage, processing, extraction, enhanced recovery, stimulation, including Hydraulic Fracturing, Abandonment, or movement of oil, gas or related hydrocarbons from the subsurface of the earth, including site development.
41. **Oil or Gas Operations Site** means and includes the Drill Site for an oil or gas Well, or another site upon which Oil or Gas Operations are conducted.

42. **Oil Well** means any Well re-entered, drilled, or to be drilled, or used for the intended or actual production of oil, associated gas or related hydrocarbons.
43. **Operator** means a person seeking to obtain a Permit, or to whom a Permit is issued, authorizing Oil or Gas Operations, and the person's heirs, administrators, executors, successors, and assigns and for each Well, or Permit, the person designated on the Commission form W-1 or form P-4 for an Oil or 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. Operator shall also mean the person designated on a Seismic Survey Permit. If the Operator is not the lessee under an oil and gas lease of any premises affected by this article, then such lessee shall also be deemed to be an Operator. If there is no oil and gas lease relating to any premises affected by this article, the owner of the fee mineral estate in the premises shall be deemed an Operator.
44. **Outer Boundary Line** means a situation in which several contiguous parcels of land in one (1) or different ownerships are operated as a single oil or gas lease or operating unit, or the exterior limits of the land in a lease or unit. In determining the contiguity of any such parcel, all public rights-of-way crossing through or within the lease boundaries shall be part of the leased tract or unit.
45. **Owner** means a person who owns the legal or equitable title in the surface of the Drill Site or Oil or Gas Operation Site.
46. **Permit** means a Drilling permit issued or sought to be issued under this Ordinance authorizing the Drilling, Re-entry or Re-Fracking of an Oil or Gas Well or other Oil or Gas Operations.
47. **Person** means both the singular and the plural and means a natural person, corporation, association, guardian, partnership, receiver, trustee, administrator, executor, and fiduciary or representative of any kind.
48. **Police Chief** means the Police Chief of the City.
49. **Practicable** means available and capable of being done, as determined by the City Engineer, using best available control technology (BACT) after considering existing technology, costs, and logistics in light of the overall purpose of the activity.
50. **Public Building** means all buildings used, designed or intended to be used for assembly of persons for such purposes as deliberation, entertainment, amusement, retail sales, or health care. Public Buildings include, but shall not be limited to, theaters, assembly halls, auditoriums, armories, mortuary chapels, dance halls, exhibition halls, museums, gymnasiums, bowling lanes, libraries, skating rinks, courtrooms, restaurants, religious institutions, schools, and hospitals.
51. **Public Park** means any land area dedicated to and/or maintained by the City for traditional park-like recreational purposes, but shall not include private equestrian trails, trailheads, trails, and privately-owned or privately-managed golf courses.
52. **Processing** means the use of Oil or Gas Operations for gauging, recycling, compressor re-pressuring, injection, reinjection, dehydration, stimulation, separation (including but not

- limited to separation of liquids from gas), consolidation, shipping and transportation, and gathering oil, gas, other hydrocarbon substances, water or any combination thereof.
53. **Re-entry** means re-entry of an existing Well within the City to drill, re-drill, deepen, complete or produce oil, gas and related hydrocarbons.
  54. **Re-fracking** means Hydraulic Fracturing, frac'ing, fracking, or hydrofracturing that is not the first or initial Hydraulic Fracturing conducted in any Oil or Gas Operations.
  55. **Religious Institution** means any building in which persons regularly assemble for religious worship and activities intended primarily for purposes connected with such worship or for propagating a particular form of religious belief.
  56. **Residence** means a house, duplex, apartment, townhouse, condominium, mobile home, or other building designed for dwelling, including those for which a building Permit has been issued on the date the application for an oil, gas, or combined Well Permit is filed with the City Oil and Gas Inspector. The term also includes structures attached to the residence, including but not limited to garages, porches, carports and similar structures.
  57. **Re-working** means re-occupation of an existing permitted Well within the existing bore hole to install, repair or replace equipment or replace well liners, tubing, rods, casings, subsurface pumps, or gas lift equipment.
  58. **Right-of-way** means public rights-of-way including streets, sidewalks, easements, and other property in the City dedicated to public use and benefit.
  59. **Road Maintenance Agreement** means the Agreement between the Operator and the City, when required, to permit the Operator reasonable use of the City roads, streets, and thoroughfares, provide for a credit, reduction or other benefit to the Operator for the election to use recycled water to reduce the number of truck trips, extraordinary stress, or damage to the roads, streets, and thoroughfares of the City and provide roughly proportionate compensation to City for the repair of certain roads, streets, and/or thoroughfares used and damaged by the Operator that are maintained in whole or in part by the City.
  60. **Rural Permit Area** means adjacent tracts or parcels of land that, when combined, are not less than twenty-five (25) acres and characterized by open space involving a proposed Oil or Gas Operations Site with no Oil or Gas Operations to be conducted within one thousand (1,000) feet of a residential, retail, business and commercial or public use buildings or structures, public or private schools, religious institutions, medical offices, dental offices, places of assembly, child or adult care or group residential facilities.
  61. **Seismic Receiver** means the non-surface invasive device which receives and records the reflected energy waves from the seismic source points used to perform a seismic survey.
  62. **Seismic Receiver Point** means the location where a seismic receiver receives and records the reflected energy waves from the seismic source points used to perform a seismic survey.
  63. **Seismic Source** means the device, such as a vibroseis truck, which generates non-surface invasive controlled seismic energy used to perform a seismic survey.



64. **Seismic Source Point** means a location at which the seismic source device generates controlled seismic energy used to perform a seismic survey.
65. **Seismic Survey** means the geologic or geophysical activities and operations necessary or useful to determine the potential location of subterranean oil, gas or related hydrocarbon deposits using vibroseis equipment.
66. **Seismic Survey Permit** means a Permit issued or sought to be issued under this Ordinance authorizing Seismic Survey activities and operations.
67. **Source of Ignition** means any flame, arc, spark, heated object, or surface capable of igniting liquids, gases, or vapors.
68. **Street** means any street, highway, sidewalk, alley, avenue, recessed parking area, or other public right-of-way, including the entire right-of-way.
69. **Sump or Sump Pit** means one or more steel containers, commonly known as a “closed mud system,” for the discharge or circulation of oil field drilling fluid, mud or wastes.
70. **Tank** means a container, covered or uncovered, used to hold or store fluids in conjunction with Drilling, production, or storage of oil, gas, or other hydrocarbons.
71. **Urban Permit Area** means adjacent tracts or parcels of land that, when combined, are less than twenty-five (25) acres or characterized by platting, residential, retail, business and commercial or public use buildings or structures, public or private schools, religious institutions, medical offices, dental offices, places of assembly, child or adult care or group residential facilities where the perimeter of any proposed Oil or Gas Operations Site, after the effective date of this Ordinance, is less than one thousand (1,000) feet from any of them.
72. **Well** means a hole(s) or bore(s) drilled to any horizon, formation, or strata with the intent to produce oil, gas, liquid hydrocarbon, brine water, sulphur water, or for use as an injection well for secondary recovery or disposal of produced or recovered fluids from the earth.
73. **Well Servicing** means maintenance work performed in any existing well bore which does not involve Drilling or Re-entry.

**B. Purpose.**

1. The exploration, development, and production of oil, gas, and other fluid hydrocarbons in the City is an activity which necessitates reasonable regulations. Such regulations avoid or lessen injury or damage to persons or property in the City and make these activities conform to the Comprehensive Plan and Zoning Ordinances. Conflicting property rights exist in such activities and all property owners, mineral and otherwise, have the right to peaceably enjoy their property and its benefits and revenues. This Ordinance implements reasonable regulations for present and future mineral activities to protect the health, safety, and general welfare of the public and accomplish the orderly and practical regulation of the production of oil, gas, and related hydrocarbons and activities related to such production.

**C. City Engineer empowered to oversee Ordinance.**

1. The City Engineer is authorized and directed to enforce this Ordinance. Whenever necessary to enforce any provision of this Ordinance, or whenever the City Engineer has reasonable cause to believe any condition exists upon any premise or in any building contrary to this Ordinance, the City Engineer may enter such place at any reasonable time as determined by the City Engineer to inspect or perform any duty imposed by this Ordinance.
2. If entry is refused, the City Engineer shall have recourse to every remedy provided by law and equity to gain entry. No owner, occupant, or any other person having charge, care, custody, or control of any building or premise shall fail or neglect after proper demand to permit prompt entry by the City Engineer.

**D. City Oil and Gas Inspector.**

1. Inspector. The City Engineer may designate the City Oil and Gas Inspector who shall enforce this Ordinance. The City Engineer may retain an independent contract Inspector(s) that may serve as the City Oil and Gas Inspector. The City Oil and Gas Inspector shall have the authority to issue any orders or directives required to carry out the requirements of this Ordinance and its particular provisions. Failure of any person to comply with any such order or directive within a reasonable time as determined by the City Oil and Gas Inspector shall constitute a violation of this Ordinance.
2. Authority. The City Oil and Gas Inspector shall have the authority to enter and inspect any premises covered by this Ordinance to determine compliance with this Ordinance and all laws, rules, regulations, standards, or directives of the state. Failure of any person to permit access to the City Oil and Gas Inspector shall constitute a violation of this Ordinance.
3. Inspection. The City Oil and Gas Inspector shall conduct periodic inspections of all permitted Wells in the City to determine that the Wells are operating in compliance with this Ordinance and in accordance with the approved Permit.
4. Records. The City Oil and Gas Inspector shall have the authority to request and receive in a timely manner any records, including any records sent to the Commission, logs, or reports relating to the status or condition of any permitted Well. Failure of any person to provide any such requested material shall be deemed a violation of this Ordinance.

**E. Permit application process.**

1. Activities Requiring a Permit.
  - a. Any person wanting to participate in oil, gas, or other fluid hydrocarbon production activities in the City shall apply for, obtain, and maintain a Permit under this Ordinance, as it may be amended from time to time, and shall indicate what type of Permit is requested. Such activities shall include, but are not limited to, Exploration, Re-entry, Re-Fracking, site preparation, Drilling, operation, construction of Drill Sites or Oil or Gas Operations Sites, the transportation of rigs, equipment or tank batteries on City streets, fracturing, flowback and pressurizing and removal of oil, gas, and related hydrocarbons through or from a surface location located within the City. It shall be

unlawful to conduct any activities within the City limits related to the production of oil, gas, or other hydrocarbons without a Permit or to conduct Re-Fracking or Re-entry of a Well without a Permit.

b. Application forms for Permits are available from the City Engineer. No Permit shall authorize the Drilling, Re-entry, Re-Fracking, deepening, activating, or converting of more than one (1) Well in the City. Multiple Permits may be obtained on the basis of one (1) Permit for each Well. A Permit shall be required when a Well is to be Re-entered, Drilled, Hydraulically Fractured, deepened, activated, or converted on a surface location in the City to be used for the production of oil, gas and related hydrocarbons from the Well, injection of fluids into a Well (but not disposal), or when the primary access to the Drill Site or Oil or Gas Operations Site is by way of a City street or public right-of-way.

2. Re-Working Notice. A Permit is not required for Re-working any permitted Well. Seventy-two (72) hour prior written notice to the City Engineer of any Re-working is required.
3. Engaging a Consultant. The City Engineer may require additional or supplemental information before action is taken on an application. The City Engineer may seek authorization from the City Manager to engage the services of a Consultant, without submission of the application to the Council, where he believes that additional expertise is required. The actual cost of the Consultant will be paid by the applicant. The City Engineer shall provide applicant with an opportunity to withdraw his application prior to engaging the services of a Consultant. The applicant shall be required to pay to the City a retainer to cover the cost of the services prior to Consultant's commencement of the work.
4. Engaging a Contract Inspector. The City Engineer may, at applicant's actual cost, retain an independent contract Inspector(s). The City Engineer shall provide applicant with an opportunity to withdraw the application prior to engaging the services of a Contract Inspector. The applicant will be required to pay a retainer to cover the cost of the services prior to the contractor's commencement of the work.
5. Permit Types. Permits shall be determined by the activity and the character of the area. There shall be the following Permits: urban, rural, and seismic survey. Any proposed activity conducted in more than one (1) designated type of area shall be required to follow the Permit procedure for the most restrictive area included therein.
6. Surface Owner Notification. Before filing a Permit application, the Operator shall notify the surface owner where the Permitted activity will occur by certified mail, return receipt requested, and show proof of such notice to the City Engineer. The Operator has thirty (30) days before filing a Permit application to designate the location of Operator's Drill Site or Oil or Gas Operations Site on the proposed plat or site plan, and provide that site plan to the surface owner. Thirty (30) day notice is not required if the surface owner has contracted with Operator.
7. Application Submitted to City Engineer. Applicant shall complete the application and deliver it and any additional required information to the City Engineer. Any costs of processing the application, including any unpaid fees of a Consultant, shall be paid by applicant prior to any public hearing. Applications shall be filed with the City Engineer for review. After the City Engineer review, a report for Council will be prepared

recommending conditions that should be included in any Permit to be issued to the applicant relative to the conduct of Oil or Gas Operations.

8. **Final Permit Authority.** All Urban Permits require City Council approval. All Rural Permits and Seismic Survey Permits may be approved by the City Engineer. The City Engineer for Rural Permits and the Council for Urban Permits shall review the application, City Engineer's report, and any other related information. The City Engineer or Council shall set the dollar amount of the security to be provided by applicant. The City Engineer or Council may require any change in the plans, operations, Air Quality Monitoring Plan, design, layout, fencing, screening, lighting, noise levels or other matters reasonably required in the interest of the public's health, safety, and welfare.
9. **Permit Terms.** Permits shall be for a term of one (1) year and may be extended for additional terms of one (1) year each, provided that the Permitted Oil or Gas Operations Site has been maintained in compliance with Operator's Permit and this Ordinance, upon successful completion of an annual inspection and the payment of the fee for a renewal of a Permit.

**F. Permit application contents.**

1. A Permit application shall include:
  - a. Application fee as set by Council resolution.
  - b. Consultant retainer fee, if applicable.
  - c. Independent Contract Inspector retainer fee.
  - d. Notice to Surface Owner. Provide copy of notice to surface owner, or confirmation of a contract with surface owner.
  - e. Site plan. These plans shall include the following information:
    - (1) Overall Site Plan. Depict proposed Site tract showing the location of all improvements and major equipment, including the location of the proposed Well(s) and other facilities, including, but not limited to, all existing utilities, and proposed utilities to serve the Site, including fire hydrants proposed to serve the site, fresh water tanks, storage tanks and berms, pipelines, water wells, access drives, fencing, wetlands, and 100 year floodplain. Indicate proposed pipeline routes on the plan, location of planned thoroughfares, roads, water, sewer and drainage ways, green space, natural areas and trails or byways set out in the Comprehensive Plan;
    - (2) Drilling Site Plan. Provide detailed plan of the Oil and Gas Operations Site depicting equipment, lighting, required utilities, source(s) and quantity of water required, material and equipment storage, fencing or watchman proposed during drilling;
    - (3) Hydraulic Fracturing Site Plan. Provide detailed plan of the Oil and Gas Operations Site depicting equipment, lighting, required utilities, source(s) and quantity of water required, material and equipment storage, fencing or watchman proposed during Hydraulic Fracturing;

- (4) Production Site Plan. Provide detailed plan of the Oil and Gas Operations Site depicting and describing equipment proposed during production, storage tanks, berms, line location between well head and tanks, screening, pump height and engine energy source, and a fencing and landscaping plan including the sixteen (16) foot wide minimum perimeter fire access drive;
  - (5) Grading Plan. Provide detailed plans for the Site and all areas proposed to be graded that includes details for the proposed location of the major components of the Site, any proposed ponds, affected vegetation, creeks, with existing and proposed contours;
  - (6) Erosion Control Plan. Provide a detailed plan with best management control practices, and Notice of Intent or Site Notice under the Texas Pollutant Discharge Elimination System;
  - (7) Flood Certification. Provide an engineering certification that the Drill Site or Oil or Gas Operations Site is not within the one hundred (100) year floodplain;
  - (8) Driveway Plan. Provide a detailed plan with existing and proposed contours and elevations for roads, drives, and culverts. Demonstrate stopping sight triangles and distances. Depict turn-outs and proposed gate location. Provide driveway apron and culvert details; and
  - (9) Traffic Control Plan. Provide a plan in compliance with the Texas Manual on Uniform Traffic Control Devices.
- f. Transportation Route Map. Provide a map showing the proposed transportation route within the City, including all streets and roads for the passage of equipment, chemicals, production, including pipelines, or waste products produced by the Oil or Gas Operation.
  - g. Heavy Trucks. Description of type, kind, size, and number of heavy trucks, weighing twenty-four thousand pounds (24,000 LBS.) or more, and major equipment used for each phase: site preparation, Drilling, Hydraulic Fracturing, and annual operations.
  - h. Water Well Permits. Description, location, and source of water for all Oil or Gas Operations, including copies of the Brazos Valley Groundwater Conservation District (“BVGCD”) Well Operating Permits, if applicable, or a letter from BVGCD stating that the proposed operations are exempt, and a plan for recycling or disposal of drilling, Fracturing, flowback and produced water.
  - i. Hazardous Materials Management Plan. Provide a copy of the plan and all material safety data sheets (MSDSs) for all hazardous materials that will be located, stored, transported, and/or temporarily used on the Oil or Gas Operations Site shall be provided to the Fire Chief.
  - j. Emergency Response Plan. Provide a copy of the plan and any other emergency or response plans to the Fire Chief and the City Engineer.

- k. Air Quality Monitoring Plan. Provide a copy of the plan including location map of monitor(s).
- l. Environmental Constraints Study. Provide a study, conducted by a qualified environmental professional, as defined by ASTM E1527, of the site to identify potential wetlands and threatened and endangered species and any required site-specific Corps of Engineers permits.
- m. Surrounding Area Map. Provide an aerial exhibit with location and description of all existing improvements and structures within one thousand (1,000) feet of the Drill Site or Oil or Gas Operations Site. Depict all existing and proposed water wells, specifying which wells are intended to be used for Oil and Gas Operations.
- n. Surrounding Area Property Owners. Owner and address of the surface of each parcel of property within one thousand (1,000) feet of the proposed Drill Site or Oil or Gas Operations Site. Provide parcel identification number and address(es), if applicable.
- o. Distance Waivers. If applicable, include all waivers for retail, business and commercial, and residential properties within 600 feet of site on pre-approved instruments that are in recordable form.
- p. Well surface casing and cementing program.
- q. Commission Permit. Provide copies of Commission forms and drilling permit.
- r. Security Instrument. Provide security comprising of an irrevocable letter of credit, indemnity bond, or certificate of deposit, as required by this Ordinance and in an amount determined by the City Engineer or the Council.
- s. Emergency Contacts. Provide the Operator's primary corporate twenty-four (24) hours a day emergency contact phone number, the name and twenty-four (24) hours a day phone number of the Operator's local representative with supervisory authority over the Drill Site and Oil or Gas Operations Site, and well and lease identification required by the Commission.
- t. Media Contact. Name, address, telephone number, and e-mail address of a point of contact for members of the public and/or media.
- u. Proposed well name.
- v. Mineral Lessee name(s) and address(es).
- w. Operator name and address.
- x. Surface owner name(s) and address(es).
- y. Insurance. Provide evidence of insurance information as required by this Ordinance. Provide the name and address, including facsimile and electronic mail address of an individual designated to receive notice.

- z. Road Maintenance Agreement and Fee. Execute and provide an agreement and the associated, calculated fee if the approved transportation route includes City streets or rights of way.
- aa. Geologic Description. Provide name of the target geologic formation(s) as used by the Commission.
- ab. Legal. Legal description of the property to be used for the Oil or Gas Operation, the parcel, and the production unit (plat description or metes and bounds bearings). Property recorded by plat should reference subdivision, block and lot numbers.
- ac. Site and Pooled Unit Surveys. A survey of the Drill Site or Oil or Gas Operations Site and the proposed production or pooled unit at a scale of one per three hundred (1:300) or greater by a certified surveyor including:
  - (1) Lengths and bearings of all boundary lines for the Drill Site, Oil or Gas Operations Site and production or pooled unit;
  - (2) Exact acreage of the production or pooled unit;
  - (3) Exact location of the well within production unit with distances showing a minimum of two (2) adjacent boundary lines of the production or pooled unit;
  - (4) Length of maximum diagonal within the production or pooled unit;
- ad. Water Board Letters. Copies of all reports required by the Groundwater Protection Determination Letters issued by the Groundwater Advisory Unit, formerly the Surface Casing Program area of the TCEQ. They are also sometimes referred to as “Water Board Letters”.
- ae. Noise Abatement Plan. Description of noise control devices and abatement.
- af. Alternate Oil or Gas Operations Site Location. Provide a map and discussion on alternate well locations due to adjacent land uses.
- ag. Contractual Responsibilities. Provide proof of all contractual responsibilities including but not limited to:
  - (1) Emergency Services including Fire Fighting and Control of Well;
  - (2) Site Operations and Maintenance; and
  - (3) Monitoring and Testing.
- ah. Waste Disposal. Describe handling, storage, and disposal of all sludge and all waste, including final destination.
- ai. Work Hours. Describe work hours for each phase of work: site development, Drilling, Hydraulic Fracturing, and Operations.
- aj. Handling Gas. Description of equipment and plans for handling gas for each phase of work: Drilling, Hydraulic Fracturing, and Operations. Associated equipment

should be depicted on Drilling Site Plan, Hydraulic Fracturing Site Plan, and Production Site Plan.

ak. Operator's Certification of Application. Provide a statement under oath signed by Operator that the information submitted in the application is true and correct and shall abide by all federal, state, and local laws, rules, and regulations.

2. Security instrument.

a. Any security instrument shall require Operator to:

(1) General Conditions. Comply with terms and conditions of this Ordinance and the Permit issued;

(2) Site Restoration. Promptly clear all premises and Oil or Gas Operations Site(s) of all litter, trash, waste, and other substances used, allowed, or occurring in the operations, and after Abandonment or completion, grade, level and promptly restore such property to the same surface conditions as nearly as possible as existed before operations commenced, unless written evidence from the surface owner to the contrary is provided by the Operator to the City Engineer;

(3) Repair Damage.

a) Repair damage to all streets, roads, storm drains, traffic control devices, utility infrastructure, and any other infrastructure damage caused or accelerated by the conduct of Oil or Gas Operations;

b) Reasonable pavement degradation of the road surface on streets and transportation routes approved by the City Engineer shall be covered by a separately executed Road Maintenance Agreement with the City.

(4) Indemnification. Operator agrees to indemnify and hold harmless City, its officers, agents, employees and volunteers from and against all claims, losses, damages, causes of action, suits, and liability of every kind, including oil and gas development activity, all expenses of litigation, court costs, and attorney's fees, for injury to or death of any person, or for damage to any property caused by or arising from Operator's or its agents' activities under a Permit:

(a) Except where such injuries, death or damages are caused by City's sole negligence or the joint negligence of City and any other person or entity other than Operator;

(b) Regardless of whether such injuries, death, or damages are caused in part by the negligence of City; and

(c) Operator agrees to pay for all damages to the City's trees, buildings, streets (except for reasonable pavement degradation of the road surface on specifically identified streets and approved transportation



routes contained in an executed Road Maintenance Agreement with the City), fixtures, utility lines (above and below ground), personal property, and any other things damaged because of Operator's or its agents' actions in carrying out any operations under this Ordinance. Operator further agrees to indemnify and hold the City harmless from all damages to third persons and the property of third persons resulting from such operations.

- (5) Notice of Cancellation. Operator agrees not to cancel such instrument without thirty (30) days prior written notice thereof to the City Engineer;
  - (6) Fines. Operator agrees to pay fines, penalties, and other assessments imposed by reason of breach of any of the terms of the Permit promptly;
  - (7) Restoration from Damage. Operator agrees to promptly restore to their former condition any public property damaged by the Oil or Gas Operation; and
  - (8) Fees. Operator agrees to promptly pay all fees of a consultant and contract inspector whose services are engaged by the City under this Ordinance.
- b. Letter of Credit. Any irrevocable letter of credit or indemnity bond shall be executed by a reliable banking institution or insurance company authorized to do business in Texas as a surety. Such banking institution or insurance company must be acceptable to the City. The Operator shall be listed as principal and the instrument shall run to the City for the benefit of the City and all persons concerned. Such letter or bond shall become effective by the date the Permit is issued and shall remain in force and effect for at least the Permit term and all renewals. The City may permit a reduction of the letter of credit after Completion of Drilling and Hydraulic Fracturing operations.
- c. Certificate of Deposit. Applicant may substitute a certificate of deposit (CD) in lieu of the letter or bond if the CD is in an amount equal to or greater than the letter or bond required. The CD shall be issued by a bank in Brazos County, Texas, selected by applicant, and shall be payable to the order of the bank; however, accrued interest thereon shall be payable to the Operator and the bank shall be so instructed. The CD shall be delivered to the bank and evidence of the delivery shall be submitted to the City Engineer. The bank shall be instructed of the terms and conditions in this Ordinance for Oil or Gas Operation security instruments.
- d. Minimum Surety. The initial principal amount of any security instrument shall be determined by the City Engineer or Council, and shall never be in an amount less than One Hundred Thousand Dollars (\$100,000) per well. The Operator may make a written request to the City for a reduction in the principal amount of and the consolidation of any surety instrument after the Completion of Drilling and Hydraulic Fracturing operations, but the minimum surety shall be at least \$50,000 regardless of the number of wells operated by Operator in the City.

- e. Acceptance and Indemnity Agreement. The Operator who has a net worth of not less than One Hundred Million Dollars (\$100,000,000), as shown in such Operator's most recent audited financial statements, may substitute an Acceptance and Indemnity Agreement in lieu of the bond or irrevocable letter of credit provided that such Acceptance and Indemnity Agreement shall be in a form acceptable to, and approved by, the City Attorney and the City Manager of the City. The Oil and Gas Inspector may request an annual review of the Operator's most recent audited financial statements to assure compliance with this section.
3. Insurance. Insurance in the following minimum amounts of coverage are required:
- a. Commercial General Liability. Commercial General Liability Insurance (including Pollution Liability) with limits of liability of not less than Five Million Dollars (\$5,000,000) per occurrence and Ten Million Dollars (\$10,000,000) in the aggregate per policy year.
  - b. Excess Liability. Excess Liability insurance policy with limits of liability of not less than Twenty-Five Million Dollars (\$25,000,000) over the above required general liability insurance policy. Excess policy must follow the form of the underlying liability policy.
  - c. Environmental Pollution Liability. Environmental Pollution Liability Coverage in full force and effect in an amount not less than Five Million Dollars (\$5,000,000) per occurrence and Ten Million Dollars (\$10,000,000) in the aggregate per policy year for the duration of the Urban, Rural, or Seismic Survey Permit, with insurance for environmental pollution liability applicable to bodily injury and property damage, including loss of use of damaged property or of property not physically damaged or destroyed; cleanup costs; defense costs, including costs and expenses in the investigation, defense or settlement of claims; all for a loss arising from operations of the Operator.
    - (1) Sudden and Accidental. Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants.
    - (2) Continuous Coverage. The Operator shall maintain continuous coverage and shall purchase extended coverage period insurance when necessary. The extended coverage period insurance must provide that any retroactive date applicable to coverage under the policy precedes the effective date of issuing the Permit by the City.
  - d. Control of Well. Control of Well coverage shall cover the cost of controlling a well that is out of control; re-drilling or restoration expenses; seepage and pollution damage as first-party recovery for the Operator and related expenses, including, but not limited to, expenses related to retaining experts and consultants, loss of equipment, and evacuation of residents.
    - (1) Five Million Dollars (\$5,000,000) per occurrence with no aggregate, if available, otherwise an aggregate of Ten Million Dollars (\$10,000,000);

- (2) \$500,000 sub-limit endorsement may be added for damage to property for which the Operator has care, custody and control.
- e. Workers' Compensation Insurance:
- (1) Statutory Benefits (Coverage A)
    - Statutory
  - (2) Employers Liability (Coverage B)
    - \$1,000,000 Each Accident
    - \$1,000,000 Disease/Employee
    - \$1,000,000 Disease/Policy Limit
- f. Automobile Liability Insurance:  
Minimum combined single limit of One Million Dollars (\$1,000,000) for bodily injury and property damage. Coverage shall include any vehicle, owned vehicles, non-owned vehicles, scheduled vehicles and hired vehicles.
- g. The following terms and conditions regarding standard insurance policies are required:
- (1) Commercial General Liability and Auto Liability insurance must be issued by a carrier rated "A" or better, in a financial size category of XV or greater under the current A. M. Best key rating guide. Only insurance carriers licensed and authorized to do business in Texas will be accepted. Deductibles shall be shown on the certificate of insurance. Claims-made policies must include a retroactive date and availability of an extended reporting period of no less than thirty-six (36) months.
  - (2) The City, its officials, agents, employees, and volunteers will be listed as "Additional Insureds" on the Commercial General Liability, Auto Liability, and Excess (Umbrella) policies. The coverage shall have no special limitations on protection afforded the City, its officials, agents, employees, or volunteers. A Letter of Self Insurance shall provide the same level of protection for the City, its officials, agents, employees and volunteers as Additional Insured status in a commercial policy.
  - (3) Waiver of Subrogation. Policies will be endorsed with a waiver of subrogation rights in favor of the City on all policies. A Letter of Self Insurance shall include a waiver of subrogation rights in favor of the City.
  - (4) Change of Coverage Notice. Coverage shall not be suspended, voided, canceled, modified or reduced in coverage or in limits of liability except after thirty (30) days' prior written notice has been given to the City.
  - (5) Certificates. Certificates of Insurance on the most current State of Texas Department of Insurance-approved form must be filed with the City as evidence

of compliance with the insurance coverage required under this section. Such certificates must be endorsed to indicate carrier will provide the City, as certificate holder, thirty (30) days' written notice of cancellation (ten (10) days for non-payment) or material change. Certificate will show coverage for pollution liability; control of well; property damage liability arising from blasting or explosion; collapse or structural damage; underground property damage; damage to underground resources and equipment; and blowout or cratering of any well. Upon request, Operator will provide the City with full copies of the insurance policies required under this section.

(6) Notice. The individual designated to receive notice shall be a resident of Texas upon whom all orders and notices provided in this Ordinance may be served in person or by facsimile, electronic mail, or certified mail. Operator shall within ten (10) days notify the City Engineer in writing of any change in such individual or mailing address unless operations in the City are discontinued and abandonment is completed.

- h. The City, in its sole discretion, may accept from the Operator, a Letter of Self Insurance or Assumption of Risk in an amount not less than the required limits of liability stated herein. Operator shall provide, upon the City's acceptance of such letter of self-insurance, financial statements supporting the Operator's capacity to defend and indemnify all claims related to or regarded as having resulted from the Operator's activities for which the City has issued any such permit.
5. Application Copies. The original Permit application, all attachments, all fees, a minimum of three (3) hard copies of the application, and one electronic copy of the application (contained on a thumb, flash drive, or disk), submitted to the City Engineer. Upon request by the City Engineer, Operator will provide any additional hard copies of the Permit application and attachments.

## **G. Permit classifications.**

- 1. Urban Permit.
  - a. Process. The City Engineer shall review Urban Permit applications and shall retain a Consultant at the expense of the Operator to review: the environmental constraints study of the site that identifies potential wetlands and threatened and endangered species; a preliminary review of the need for any site-specific Corps of Engineers permits; and the Permit application for the proposed site, and proposed operations or drilling program; the Air Quality Monitoring Plan; and at the direction of the City Engineer, draft recommended additional restrictions or conditions to be appended to the Urban Permit, if issued, including minimum set-back and separation distances for Drilling or other operations, special safety equipment and procedures, and prohibited operations or techniques. Consultant may recommend additional noise reduction levels and noise and light attenuation screening where deemed appropriate. The Consultant's study shall be completed and delivered to the City Engineer and Operator within forty-five (45) days after the application is submitted.

- b. Notice. Before consideration of an Urban Permit application by the City Council, the City Engineer shall cause the following notices of public hearing to be issued, at Operator's expense, no later than two (2) weeks before the regular Council meeting in which the public hearing will be held:
  - 1. Notice of the public hearing shall be published in a newspaper of general circulation in the City.
  - 2. Notice of the public hearing shall be made to all persons with property within one thousand (1,000) feet of the proposed Oil or Gas Operations Site as shown by the latest Brazos County Appraisal District certified tax rolls, by certified mail, return receipt requested. The Operator shall pay the City four dollars (\$4.00) for each such notification letter. No notification letter shall be required for property owners who have signed and acknowledged before a Notary Public the consent form acceptable to the City.
- c. Council Action. After the public hearing, Council, in its sole discretion, may approve or deny the Permit based upon the recommendations submitted or may add, remove or waive any conditions not deemed a nuisance or necessitated by the health, safety, and welfare of the public, whether or not they are included in Consultant's recommendations.
- d. Public Hearing. At the public hearing, the recommendation of the City Engineer shall be presented, the Consultant's recommendations considered, and any interested party shall be allowed to speak or present evidence. At the conclusion of the public hearing, the Council shall approve or deny the Permit based upon the reports, recommendations and testimony submitted. The Council may table any application for up to sixty (60) days and direct the City Engineer to provide additional information. The Council may add or modify any conditions necessitated by the health, safety, and welfare of the public, whether or not included in the recommendations of the City Engineer.

2. Rural Permit.

- a. Notice. Before final consideration of a Rural Permit application by the City Engineer, the City Engineer shall cause the following notices to be issued, at Operator's expense, to provide at least a two (2) week public comment period before any final action is taken by the City Engineer:
  - 1. Notice of the Rural Permit application shall be published in a newspaper of general circulation in the City; and.
  - 2. Notice shall also be made to all persons with property within one thousand (1,000) feet of the proposed Oil or Gas Operations Site as shown by the latest Brazos County Appraisal District certified tax rolls, by certified mail, return receipt requested. The Operator shall pay the City four dollars (\$4.00) for each such notification letter. No notification letter shall be required for property owners who have signed and acknowledged before a Notary Public consent to the proposed oil or gas operations or waiver of the right to receive further notices about Rural Permit applications in a form acceptable to the City.

- b. Process. At least two (2) weeks following such notice, the City Engineer shall consider the application and any comments received regarding the application, and grant or deny the Permit based upon ordinance requirements and any received comments. The City Engineer may refer the Permit to Council for consideration and table the application for a period of up to sixty (60) days to obtain additional data from the Operator or from a consultant engaged to study and evaluate the proposed activity.

3. Seismic Survey Permit.

A Permit is required for all seismic surveys performed on any property within the City.

- a. Process. To obtain a Permit, the Operator must apply to the City, pay the Permit fee as established by resolution of the City Council, and execute a License Agreement on a form approved by the City Attorney. The City Manager or his/her designee may negotiate and execute the License Agreement on behalf of the City.
- b. Term. The term of the Seismic Survey Permit shall be for a period of one (1) year.
- c. Permit Required. It violates this ordinance to conduct a seismic survey in the City without a valid, existing Permit and License Agreement with the City.
- d. Application.

The application for a Permit will require the following information to be provided by the Operator:

- (1) Name and address of the Operator. If the Operator is a corporation, the state of incorporation. If the Operator is a limited partnership, the name and address of the general partner(s);
- (2) Emergency Contact. Name, address, telephone number, and email address of two individuals who will be the 24-hour emergency contact for the Operator;
- (3) Media Contact. Name, address, telephone number, and email address of a point of contact for members of the public and/or media;
- (4) Seismic Project Route Plan. Provide sheets on 24x36 tax maps that identify all utilities, streets, properties, the location of source points, and the location of receiver points;
- (5) Traffic Control Plan. Provide plan in compliance with the Texas Manual on Uniform Traffic Control Devices;

- (6) Vibroseis Trucks. A list of the type, weight, and specifications of the vibroseis equipment and/or vehicles to be used in the seismic survey;
- (7) Insurance. Provide Certificates of Insurance evidencing the insurance required under the License Agreement which lists the City, its officers, agents, employees and volunteers as an Additional Insureds; and
- (8) Security. Provide a security instrument that secures the Operator's obligations to repair any damage caused by the seismic survey to sidewalks, rights of way, easements, water/sewer/electric infrastructure, or other public property or infrastructure.

e. Prohibitions

- (1) Explosives. Under no circumstances may explosive charges, including, but not limited to, pentolite or dynamite, be a seismic source or related to the preparation and/or operation of conducting a seismic survey in the City, including public and private properties, City Rights-of-Way, and on City-owned properties.
- (2) Source Points on City Property. Seismic source points shall not be permitted within City Rights-of-Way, or on City-owned properties within City Limits.
- (3) Clearing on City Property. Clearing trees and vegetation, associated with Seismic survey operations, greater than a one-inch caliper is prohibited in City Rights-of-Way and on any City-owned properties.

f. Violations

It violates this ordinance to conduct seismic surveys:

- (1) Permit Required. In the City without a valid, existing Permit and License Agreement with the City;
- (2) Explosives. Using pentolite, dynamite, or any other explosive;
- (3) Source Point Setbacks. If source point activity encroaches upon the minimum established setbacks;
- (4) Peak Particle Velocity and Frequency. If the peak particle velocity or frequency exceed the allowed parameters under the License Agreement;
- (5) Source Points on City Property. Using City Rights-of-Way, or City-owned properties within the City Limits for seismic source points;

- (6) Receiver Points. Using public streets, sidewalks, or drainage ditches for seismic receiver points and/or using other public property without prior written permission from the City; or
- (7) General. That violate any of the terms or conditions of the License Agreement.
- g. Conflicts. Provisions of this Ordinance shall apply and the Seismic Survey Permit subsection shall prevail if any conflicts arise.

## **H. Location and Site Requirements.**

1. Locations. No Oil or Gas Operations Site shall be located:
  - a. Within fifty (50) feet of any street, right-of-way, alley, or utility easement;
  - b. Within six hundred (600) feet of a cemetery, park, retail, business and commercial or Public Buildings or structures, religious institutions, medical offices, dental offices, places of assembly or Residence, unless waived by the retail, business and commercial, and Residence property owner and the party entitled to occupy the premises;
  - c. Within one thousand (1,000) feet of any public or private school, child or adult care or group residential facilities, or hospital;
  - d. In any Public Park unless authorized by State law;
  - e. Within any one hundred (100) year special flood hazard area as identified by the Federal Emergency Management Agency (FEMA); or
  - f. In any City streets or alleys.
2. Tanks:
  - a. Tank Location. All tanks shall be on the Oil or Gas Operations Site and set back pursuant to the standards of the Commission and the National Fire Protection Association, but in all cases, shall be at least three hundred fifty (350) feet from any existing public right-of-way, planned public right-of-way as described in the Thoroughfare Plan of the City, or property line, as measured from the tank battery containment berm. City Council may modify the tank setback distance from existing public right-of-way or planned public right-of-way as described in the Thoroughfare Plan to no less than one hundred seventy five (175) feet if the modified tank setback distance increases the separation distance from any Residence or Public Building.
  - b. Specifications and Height. All tanks and permanent structures shall conform to the American Petroleum Institute (A.P.I.) specifications unless other specifications are approved by the Fire Chief. The top of the tanks shall be no higher than fifteen (15)



feet above the terrain surrounding the tanks, excluding required netting and support structures;

- c. Vapor Recovery System. Vapor recovery system equipment is required for tanks or tank batteries that have an estimated rolling annual aggregate emissions rate of 25 tons or greater of total volatile organic hydrocarbons per Oil or Gas Operations Site;
  - d. Vapor Recovery Efficiency. Vapor recovery equipment must be operated to ensure 95% recovery efficiency between the internal and external atmospheres of the tanks.
  - e. Fire Suppression. Fire extinguishers and accessible foam suppression systems for all tanks and flammable fluid retaining vessels are required for all Oil or Gas Operations.
  - f. Berm Capacity. All tanks shall have a berm or dam of sufficient height, strength and distance from the tanks or vessels to ensure that one hundred and fifty percent (150%) of the capacity of the largest tank and/or vessel and adequate freeboard to allow for precipitation can be maintained within the berm or dam; and
  - g. Lightning Arrestor. Lightning arrestors and adequate grounding equipment shall be installed for all tanks.
3. Slush, Sump, Sump Pits or skim ponds are prohibited.
- a. Sump Pits Prohibited. No person shall own, operate, have possession of, be in control of, or maintain any well site, former well site or property on which a Slush, Sump or Sump Pit or skim pond is located.
  - b. Portable Steel Tanks. This section shall not apply to portable steel tanks.
4. Waste removal.
- a. Closed Loop System. Rotary mud, drill cuttings, oil or liquid hydrocarbons and all other oil field wastes derived or resulting from, or connected with the Drilling, Redrilling, Hydraulic Fracturing, deepening or Reworking of any Well shall be contained in a closed loop system and discharged into portable steel tanks. Operator will follow all Department of Transportation (DOT) regulations and placarding for transportation of any waste material.
  - b. Timing. Unless otherwise directed by the Commission, waste materials shall be removed from the Drill Site within thirty (30) days after completion of Drilling.
  - c. Drip Pans. Drip pans should be provided under equipment and storage containers potentially subject to minor leaks. These drip pans should be monitored on a routine basis to recover and recycle or dispose of accumulated oil and other liquids.

5. Noise abatement:

- a. Maximum Noise. No Well will be drilled, re-entered, re-worked, completed, fracked, operated, re-fracked or produced with any pump, engine, compressor or motor-driven machinery of any type that, when considering the ambient sound pressure level in the immediate vicinity of the Oil or Gas Operations Site creates a sound pressure level greater than sixty (60) dB(a) when measured at a distance of six hundred (600) feet from that equipment or at the closest fence-line, whichever is the shortest distance. If the ambient sound pressure level exceeds sixty (60) dB(a), the sound level may not exceed the ambient noise level by more than five (5) dB during the daytime and more than three (3) dB during the nighttime. Sound attenuation structures may be considered, constructed and utilized during operations to meet this requirement;
- b. Muffled Exhaust. Exhaust from any internal combustion engine, stationary or mounted on wheels, used with the Drilling of any Well or for use on any production equipment, shall not be discharged into the open air unless it is equipped with an exhaust muffler or mufflers, or an exhaust muffler box constructed of noncombustible materials sufficient to suppress noise and prevent the escape of noxious gases, fumes, or ignited carbon or soot;
- c. Electric Motors. Motive power for all operations after Completion of Drilling Operations shall be by utility-provided electricity. All electric lines to production facilities shall be located in a manner compatible to those lines already installed in the surrounding area or subdivision; and
- d. Sound Meters. Sound level measurements shall be made with a sound level meter conforming as a minimum to the requirements of American National Standards Institute S1.4-1971 Type 2 or its successor publication and set to an A-weighted response.

6. Light abatement:

- a. Light Orientation. Considering safety, site lighting shall be directed downward and internally to avoid glare and to prevent lighting from shining directly on public roads, adjacent dwelling or buildings, adjacent property or property in the general vicinity of the Drill Site or Oil or Gas Operations Site.

7. Air quality monitoring plan:

- a. The Operator will submit an Air Quality Monitoring Plan that describes the location, techniques, equipment and frequency of measurement the Operator will use to ensure all airborne emissions of Oil or Gas Operations and equipment will be measured and comply with applicable airborne emissions limits, applicable law and this Ordinance relating to airborne emissions.

8. Gas emissions or burning restricted:
  - a. No Venting. No person shall allow, cause or permit gases to be vented into the atmosphere or to be burned by open flame except as required for safety during Drilling or Completion of Drilling;
  - b. Shielding. Gas shall be burned in such a manner as to direct, contain and shield the flame visually from any building or other structure not used in Oil or Gas Operations within six hundred (600) feet of the Drill Site;
  - c. Emissions Abatement. Gas from Oil or Gas Operations and exhaust emissions from combustion engines will be abated, treated or otherwise limited to the maximum extent practicable and controlled as prescribed by the USEPA and the TCEQ regulations to maintain levels of hydrocarbon based, volatile organic compounds (VOCs) and H<sub>2</sub>S at the perimeter of the Oil or Gas Operations Site comparable to levels adjacent to but not on the Oil or Gas Operations Site prior to commencement of Oil or Gas Operations; and
  - d. Green Completions. Completion of Oil Wells or Gas Wells will be by utilization of Reduced Emissions Completions (REC) more commonly known as Green Completions.
9. Emissions, Monitoring and Mitigation:
  - a. Requirement to Register. The Operator or other person proposing to construct a new facility (a stationary source of air contaminants) that requires a TCEQ permit must register with the City within 30 days of submittal of the TCEQ permit application;
  - b. Additional Information. The Oil and Gas Inspector may require the Operator of a facility whose activity causes or may cause emission of an air contaminant to submit additional information to evaluate the air pollution nature or potential of the activity;
  - c. Extended Gas Analysis. An extended gas analysis of raw produced gas will be provided to the Oil and Gas Inspector upon initial production and after any recompletion;
  - d. No Open Venting. No Well may flow or vent directly into the atmosphere without first directing the flow through separation equipment or into a portable tank;
  - e. Emissions Abatement. After Hydraulic Fracturing, Operator will employ equipment and processes to minimize natural gas and associated vapor release;
  - f. Pipeline. All salable gas will be directed to the sales line as soon as practicable or shut in;
  - g. Reduced Emissions. All Wells that have a sale pipeline will employ reduced emission completion techniques and methods; and



multiple water wells within the 1,500 foot radius, the closest water well to the oil or gas well will be the well tested;

- d. **Post-Drilling Water Analyses Required.** The Operator shall perform water analyses on the same water wells that were tested during the Pre-Drilling Water Analyses within ninety (90) days of completing the oil or gas well and one (1) year after the completion of the well. Completing the oil or gas well in this instance is defined as perforating the well or Hydraulic Fracturing of the well if hydraulic stimulation is done after perforating any oil or gas formation. The water well analyses shall, at a minimum, test for the constituents listed in the Testing Parameters section, below;
  - e. **Results Delivered to City.** The results of the water well analyses shall be delivered to the City Engineer or his designee and the water well owner within thirty (30) days of collecting the samples for testing;
  - f. **Water Well Owner Notification.** In the case of a substantive negative change using guidelines of the Groundwater Protection Council (GWPC) in a water well quality between the pre- and post-drilling and completion testing, the Oil or Gas Well Operator shall immediately notify all property owners with water wells within 2,000 feet of the Oil or Gas Well of the change in water quality;
  - g. **Water Analyses Requirements.** Water analyses and testing shall conform to the following testing requirements:
    - (1) **Collection of Samples.** Water samples must be collected by personnel employed by an independent laboratory certified under the National Environmental Laboratory Accreditation Program for drinking water.
    - (2) **Laboratory Analyses.** The water analyses shall be performed by a laboratory certified under the National Environmental Laboratory Accreditation Program for drinking water.
    - (3) **Testing Parameters.** Parameters to be tested for include but are not limited to: barium, boron, chlorides, sodium, total dissolved solids (TDS), strontium, ethane, ethylene, methane, semi-volatiles, total petroleum hydrocarbons (TPH), and volatile organic compounds (VOCs).
  - h. **Cross Connection Control.** Any connection to a freshwater source, including but not limited to, the City public drinking water system, private wells, other surface and/or groundwater sources, shall comply with all cross connection control requirements.
13. **General:**
- a. **Clean Site.** All Oil or Gas Operations shall be conducted in a reasonable and prudent manner and all Oil or Gas Operations Sites shall be maintained in a neat, clean, and orderly manner. Debris, pools of oil, water or other liquids, weeds, brush, trash, or other waste material and all discarded surplus materials, supplies, and

refuse shall be removed from the Oil or Gas Operations Site no later than every fifteen (15) days;

- b. Discharges Prohibited. No person shall place, deposit, discharge, cause, or permit to be placed, deposited, or discharged, any oil, naphtha, petroleum, asphalt, tar, hydrocarbon substances, or any refuse, including wastewater or brine, from any Oil or Gas Operation or the contents of any container used with any Oil or Gas Operation in, into, or upon any public right-of-way, storm drain, ditch or sewer, sanitary, drain or sewer, any body of water, or any private property in the City;
  - c. Equipment Maintenance. All production equipment on the Oil or Gas Operations Site shall be painted and maintained, including pumping units, storage tanks, buildings and structures;
  - d. Flood Ordinance. All Oil or and Gas Operations shall comply with the Flood Hazard Protection Ordinance of the City.
14. Work Hours:
- a. Site development, other than Drilling and Completions (including Hydraulic Fracturing) operations, shall be conducted only between 7:00 a.m. and 9:00 p.m. Monday through Friday, and between 9:00 a.m. and 8:00 p.m. on Saturday and Sunday. Truck deliveries of equipment and materials associated with Drilling and/or production, Well servicing, site preparation and other related work conducted on the Well Site shall be limited to the same work hour restrictions identified above except in cases of fires, blowouts, explosions, and any other emergencies or where the delivery of equipment is necessary to prevent the cessation of Drilling, Completions (including Hydraulic Fracturing), or production.
15. Safety:
- a. Watchman. The Operator will keep a watchman or security personnel on site during the Drilling, Completion of Drilling, Hydraulic Fracturing or Reworking of a Well when other workmen are not on the premises; and
  - b. Permanent Site Signage. Permanent weatherproof signs reading “DANGER NO SMOKING ALLOWED” shall be posted at the entrance of each Well Site and tank battery. The sign shall include the emergency notification numbers of the Fire Department, the Operator’s primary corporate twenty-four (24) hours a day emergency contact phone number, the name and twenty-four (24) hours a day phone number of the Operator’s local representative with supervisory authority over the Oil or Gas Drill Site and Oil or Gas Operations Site, and Well and lease identification required by the Commission.
16. Emergency Response Plan:
- a. Requirements. Prior to the commencement of Drilling, Oil or Gas Operations, or any other hydrocarbons production activities, Operator shall submit to the Oil and Gas Inspector finalized copy of the Emergency Response Plan establishing written procedures to minimize any hazard resulting from Drilling, Completion, Hydraulic Fracturing, or producing of oil and/or gas Wells, including an Emergency

Evacuation Plan. Said plan shall use existing guidelines established by the Commission, the TCEQ, Texas Department of Transportation and/or the USEPA. The Emergency Response Plan shall be kept current with any additions, modifications, and/or amendments concerning all construction-related activities, oil and/or natural gas operations and, oil and/or natural gas production. Updated plans shall be submitted to the Oil and Gas Inspector within two (2) business days after any additions, modifications, and/or amendments to said plan(s). A copy of the Emergency Response Plan shall be kept onsite. Further, a copy of the Emergency Response Plan shall be provided to any potentially affected independent school district for comment by the school district, with a copy of the comments provided to the Oil and Gas Inspector. The Emergency Response Plan shall at a minimum provide for:

- b. Emergencies. Prompt and effective response to emergencies regarding:
  - 1. Leaks or releases that can affect public health, safety, welfare;
  - 2. Fire or explosions at or near an Oil or Gas Well; or
  - 3. Natural disasters;
- c. Notification Plan. Effective means to notify and communicate required and pertinent information to local fire, police, and public officials during an emergency;
- d. Emergency Resources. The availability of personnel, equipment, tools, and materials at the scene of an emergency;
- e. Emergency Risk Reduction. Measures to be taken to reduce public exposure to injury and the probability of accidental death or dismemberment;
- f. Shut-Down. Emergency shut-down of Well and related site;
- g. Restoration. The safe restoration of service and operations following an emergency or incident;
- h. Post Investigation. A follow-up incident investigation to determine the cause of the incident and require the implementation of corrective measures.
- i. All fire suppression and prevention equipment required by the Operator's Emergency Response Plan shall be provided by the Operator at the Oil or Gas Operations Site or other location as authorized by the Fire Chief. The Operator shall maintain the suppression and prevention equipment at Operator's expense. The City shall have no responsibility and Operator assumes all responsibility for any fire, explosion, leak, venting, upset or other event either by one or more sudden events or unseen accumulation of volatile, toxic, polluting, agents of every kind or character released or produced over time and observed, affecting person or property in the City, whether in the atmosphere, on the surface of or underground land within the City.

17. Fencing, Screening and Landscaping:

- a. Supervision. Fences shall not be required on Drill Sites during initial Drilling, Completion or Hydraulic Fracturing operations if twenty-four (24) hour on-site supervision is provided; and
- b. Fencing. Within thirty (30) days after production has been established, all Oil or Gas Operations sites, both Urban and Rural Wells, shall be completely enclosed by a permanent chain link fence. All gates are to be kept locked when the Operator or Operator's employees are not within the enclosure:
  1. Height. The fence fabric shall be at least six (6) feet in height;
  2. Support Posts. Support posts shall be set in concrete and shall be imbedded into the ground to a depth sufficient to maintain the stability of the fence; provided, however, so long as stability of the fence is maintained, temporary fence posts shall not be required to be set in concrete;
  3. Galvanized and Coated. All chain link fabric including gates, posts and hardware shall be galvanized steel wire coated with green non-flammable vinyl or plastic material;
  4. Thickness. The chain link fence fabric shall have a minimum thickness of eleven (11) gauge;
  5. Mesh Size. The chain link fabric shall be two-inch mesh;
  6. Posts and Rails. Posts and rails shall be standard galvanized, welded pipe, schedule forty (40) or thicker; provided, however, that non-galvanized drill pipe may be used if it exceeds schedule forty (40) in thickness;
  7. Pipe. All pipe and other ferrous parts, except chain link fabric and drill pipe, shall be galvanized inside and outside with a plating which contains a minimum of one and two-tenths (1.2) ounces of zinc per square foot of surface area;
  8. Tension Rods. Tension rods shall be three-eighths-inch round steel bolt stock. Adjustable tighteners shall be a turnbuckle or equivalent having a six-inch minimum take-up. Tension bars shall have a minimum thickness of one-fourth (1/4) by three-fourths (3/4) inch;
  9. Security Arms. All fences shall have security extension arms at the top of such fences and such security extension arms shall be strung with at least two (2) strands of galvanized barbed wire;
  10. Color. All fencing shall be of a neutral color compatible with surrounding uses and shall be maintained in a neat, orderly, secure condition. Neutral colors for fencing shall include unobtrusive shades of green; and



11. Knox Box. Operator shall provide the City's Fire Chief with a "knox padlock" or "knox box with a key" to access the Oil or Gas Operations Site, to be used only in case of an emergency.
- c. Landscaping. Within sixty (60) days after Completion of Drilling or within sixty (60) days after activation of an idle Well, any Urban Oil or Gas Operations Site will be landscaped. Landscaping may be installed inside the perimeter fence and must be served by drip irrigation.
  1. General Location. Landscaping and irrigation shall be required along all street frontages of the Oil or Gas Operations Site with suitable screening shrubs that complement the architectural character of the surrounding neighborhood;
  2. Screening Shrubs. Screening shrubs shall be installed around the Well Site and all fences and screen from view the structures sought to be screened. Screening shrubs shall be of the "evergreen" variety and be planted generally on six (6) foot centers to ensure coverage and screening of the fenced area at maturity. Screening shrubs shall be a minimum of three (3) feet in height at planting, have the potential to grow to a mature height of a minimum of six (6) feet and must have an installed irrigation system that provides total water coverage to all plant materials; and
  3. Berms. The vegetation or berms shall be kept in an attractive state and in good condition by the Operator.
18. Access and Dust Control:
  - a. Private Access Roads. Before any Oil or Gas Operation begins, all private roads used for access to a Drill Site or Oil or Gas Operations Site shall be surfaced with crushed rock, gravel, or ore, or oiled and maintained to prevent dust and mud;
  - b. Drill Site Pads. Pads shall be constructed of crushed rock, gravel or ore in sufficient quantity and compacted to a sufficient degree to support all surface operations and traffic that Operator proposes to conduct on the Drill Site;
  - c. Private Site Drives. All drives shall be at least thirty (30) feet wide unless otherwise agreed to by the surface owner and the City Oil and Gas Inspector. The private drive shall be constructed of compacted road base material finished with two (2) courses of chip seal or concrete. This requirement may be waived at the discretion of the City Oil and Gas Inspector;
  - d. Driveway Aprons. Driveway aprons and culverts shall meet BCS United standards. Turn-outs and Turn-ins shall be constructed to ensure that no traffic is impeded by the ingress or egress of Operator's vehicular traffic, and shall meet stopping sight distance by ensuring sight triangles are free from obstacles;
  - e. Heavy Trucks. Vehicles associated with Drilling and/or production over twenty-four thousand pounds (24,000 LBS.) shall be restricted to such streets designated in the Permit or commercial delivery routes designated in the City Code wherever capable of being used;

- f. Dust Control Plan. The Operator shall conduct a dust control plan that will contain daily dust mitigation measures that at a minimum provide for daily watering, chip seal or equivalent best management practices approved by the City Engineer;
  - g. Water for Dust Control. Only clean water may be used for dust control and abatement. Produced water, waste water, and other associated fluids or hydrocarbons shall not be used for dust control and abatement; and
  - h. Road Maintenance Agreement. A signed Road Maintenance Agreement supplied by the City that provides that the Operator provide the required fee to cover the estimated repair costs for any damage to public roads, streets, or highways caused by heavy vehicles for any activity associated with Oil or Gas Operations.
19. Periodic Reporting:
- a. Changes. The Operator shall notify the Oil and Gas Inspector of any changes to the following information within seven (7) business days after the change occurs:
    - 1. Operator. The name, address, and/or phone number of the Operator;
    - 2. Notices. The name, address, and/or phone number of the person designated to receive notices from the City (which person must be a resident of Texas that can be served with such notices in person or by registered or certified mail); and
    - 3. Emergency Response Plan. The Operator's Emergency Response Plan, and any other emergency plans.
  - b. Emergency Contacts. The Operator shall notify the Oil and Gas Inspector of any change to the name, address, and 24-hour phone number of the person(s) with supervisory authority over Drilling or operations activities within one business day.
  - c. Requirement to report emergencies.
    - 1. Immediate Notice. The Operator shall immediately notify the Oil and Gas Inspector and Fire Chief of any incident resulting in product loss from a hydrocarbon storage facility or pipeline facility, blowout, fire, explosion, incident resulting in injury, death, or property damage, or any other significant incidents as defined by the Commission or the TCEQ;
    - 2. Initial Summary Report. A written report, containing a brief summary of the incident will be submitted to the Oil and Gas Inspector and to the Fire Chief by 5:00 p.m. on the first business day following the incident;
    - 3. Follow-Up Detailed Report. A follow-up report, signed and dated by the person responsible for the report, shall be submitted to the Oil and Gas Inspector and the Fire Chief within 30 days following the incident. The follow-up incident report shall include the following information:

- a. Operator. Operator name, phone number, address, and, if possible, email address;
  - b. Description. Description of the incident, including, but not limited to, the time, date, location, and cause of the event;
  - c. Duration. Duration of the incident; that is, when it began and when it terminated to the degree it no longer constituted a hazard to the health, safety, and well-being of persons or property, regardless of the distance or separation from the place of incident;
  - d. Remedy. How the incident was brought under control and/or remedied; and
  - e. Investigation Results. A full and complete description of the intercompany investigation or other investigation or inquiry made concerning the incident, the findings or results of such inquiry or investigation, and the action taken because of the findings and inquiry concerning the prevention of future hazards.
- d. Other Incident Reports or Complaints. The Operator shall provide the Oil and Gas Inspector and the Fire Chief a copy of any “Incident Reports” or written complaints submitted to the Commission or TCEQ within thirty (30) days after the Operator has notice of such reports or complaints. This shall include, but not be limited to, notification of any reportable quantity releases of oil, natural gas, and/or associated minerals, chemicals, or solid and/or liquid wastes, under regulatory requirements established by the Commission, and notification to the Fire Chief of any fire and/or equipment strikes by lightning; and
  - e. Annual Report of Changes. Beginning December 31st after each Well is completed, and continuing on December 31st each year thereafter until the Operator notifies the Oil and Gas Inspector the Well has been abandoned and the site restored, the Operator shall submit a written report to the Oil and Gas Inspector identifying any changes to the information in the application for the applicable Permit that have not been previously reported to the City.

**I. Public hearing.**

- 1. Public Hearing Required. The Council shall hold a public hearing on any application for a Permit to drill an Urban Permit Oil or Gas Well or construct an Urban Oil or Gas Operations Site.
- 2. Public Hearing Requirements. Written notice of such hearing shall be sent by the City Engineer to the applicant and all other persons deemed by the City Engineer to be affected and all owners of real property within one thousand (1,000) feet of the proposed Drill Site or Urban Oil or Gas Operations Site. Such notice shall be given not less than two (2) weeks before the date to all such property owners who have rendered their said property for City taxes as the ownership appears on the last certified tax roll of the Brazos County Appraisal District. Such notice may be served by depositing the same, properly addressed and postage

paid, in the U.S. Post Office. Notice shall also be given, at Operator's expense, by publishing the same in a newspaper of general circulation in the City at least two (2) weeks prior to the date, which notice shall state the time and place of such hearing. All notice provisions contained herein shall be deemed sufficient upon substantial compliance with this Section.

**J. Criteria for granting or denying Permit.**

1. Council Actions. The Council shall review the application and any other related information and shall set the principal security instrument. Granting the Permit shall be conditioned on applicant submitting the security instrument to the City within thirty (30) days. The Council may require any change in the operations, plan, Air Quality Monitoring Plan, design, layout, fencing, screening, lighting, or other matters reasonably required in the interest of the public. The Council may accept, reject, waive or modify the recommendations to secure compliance with this Ordinance, the City Code, or to protect the health, safety, and welfare of the citizens of the City.
2. Criteria. The following additional criteria shall be addressed by the Council:
  - a. Reasonable. The operations proposed are reasonable under the circumstances and conditions prevailing in the area;
  - b. Health, Safety, and Welfare. The operations proposed do not harm the health, safety, and welfare of the public when and if conducted under the Permit conditions to be imposed; and
  - c. Balancing Factors. The Oil or Gas Operations conducted in compliance with the Permit are reasonable and justified and minimally affect adjacent property and the general public, balancing the following factors:
    - (1) Mineral Rights. The right of the owner(s) of the mineral estate to explore, develop, and produce the minerals;
    - (2) Alternate Drill Sites. The availability of alternate Drill Sites, both presently and at other times during the lease term; and
    - (3) Timing. The date of acquisition by the owners of the surface and mineral estates.

**K. Spills and blowouts.**

1. Clean up of spills.
  - a. Notice. After any leak, spill, or malfunction, the Operator shall immediately notify the City Oil and Gas Inspector, City Engineer and Fire Chief, and shall remove or cause to be removed, to the satisfaction of the City Engineer, Fire Chief, and Consultant, all oil and waste materials from any public or private property affected by such spill, leak, or malfunction; and

- b. Soil Contamination Assessment. The City Oil and Gas Inspector shall have the discretion to require the Operator to perform a soil contamination assessment if a leak, spill, or upset of fluids, or other materials occurs.
2. Blowouts.
- a. Notice. If losing control of any Well occurs, Operator shall immediately try to regain control of such activity regardless of any other provisions of this Ordinance and shall notify the City Engineer as soon as practicable.
  - b. Control of Well. If and when the City Engineer certifies in writing to the City Manager, that in his opinion the Operator is not taking or cannot regain control of such Well, the City Engineer may employ any well control expert or experts, or other contractors or suppliers of special services, or may incur any other expenses for labor and material which the City Engineer deems necessary to regain control of such Oil or Gas Operation.
  - c. Lien. The City shall then have a valid lien against the interest in the Well of all working interest owners who have voluntarily joined in the Drilling of such Well to secure payment of any expenditure made by the City under such action of the City Engineer in gaining control of said Well.

**L. Permit period and renewal.**

1. Permit period.
- a. A Permit shall be issued for one (1) year. At the end of such time, it shall be updated (if Operator wishes to continue his Oil or Gas Operation) by filing a renewal application. Operator must reapply during the Permit period for a renewal application if a change of operations is proposed or takes place. Multiple Wells on one Drill Site are encouraged.
2. Renewal.
- a. Period. Operator will submit an application form for a renewal Permit no later than thirty (30) days before the expiration of Operator's Permit, and indicate in the application what changes are requested at the Oil or Gas Operations Site. An inspection and renewal fee as set by Council resolution shall be paid at the time of reapplication. Operator recognizes the reclassification of a Permit from Rural to Urban may occur due to adjacent development.
  - b. Application Requirements. Renewal applications shall include any of the following items which have changed since the original Permit application, which shall be current and updated, as applicable, to cover the renewal period:
    - 1. Renewal Application fee as set by Council resolution;
    - 2. Independent contract Inspector retainer fee;
    - 3. Production Site Plan. Site plan of any proposed operational changes showing the location of all improvements, modifications, and equipment.

- Ensure fencing complies, equipment is well-maintained and painted, and site is clean under Ordinance requirements;
4. Transportation Route Plan. Map showing any changes to the previously approved transportation route within the City including all streets and roads for the passage of equipment, chemicals, production, including pipelines, or waste products produced by the Oil or Gas Operation;
  5. Water Sources. Description, location, and source of any new water sources for all Oil or Gas Operations, and if proposed, a plan for recycling flowback and produced water;
  6. Water Analyses. Annual post-drilling water testing and analyses (if applicable);
  7. Hazardous Materials Management Plan. A copy of the hazardous materials management plan and all material safety data sheets (MSDSs) for all hazardous materials located, stored, transported, and/or temporarily used on the Oil or Gas Operations Site shall be provided to the Fire Chief;
  8. Emergency Response Plan. A copy of the Emergency Response Plan and any other emergency or response plans shall be provided to the Fire Chief;
  9. Emergency Contacts. Confirm and update the emergency contact information on permanent weatherproof signs;
  10. Air Quality Monitoring Plan. A copy of the Air Quality Monitoring Plan;
  11. Surrounding Area Map. Location and description of all improvements and structures (including water wells) within one thousand (1,000) feet of the Drill Site or Oil or Gas Operations Site;
  12. Security Instrument. Current security instrument comprising an irrevocable letter of credit, indemnity bond, or certificate of deposit, as required by this Ordinance and in an amount determined by the City Engineer or the Council;
  13. Mineral Lessee name(s) and address(es);
  14. Operator/Applicant name and address;
  15. Surface owner name(s) and address(es);
  16. Name and address, including facsimile and electronic mail address of an individual designated to receive notice;
  17. Insurance. Evidence of current insurance information as required by this Ordinance; and
  18. Operator's Certification of Application. Statement under oath signed by Operator which items have not changed and that the information submitted in the renewal application is true and correct.

- b. Inspection. Before the expiration of the Permit, the City Oil and Gas Inspector shall inspect the Oil or Gas Operations Site to determine compliance with this Ordinance;
- c. Process. If no change in operations is proposed or has taken place and inspection reveals compliance with the ordinance in effect at the time of the original permit or this Ordinance during the preceding Permit period, the City Engineer shall issue a renewal Permit. Otherwise the renewal application shall be processed as an original application;
- d. Remedial Conditions. Upon application for a renewal Permit, the City Oil and Gas Inspector may consider the deterioration of the quality of the material of which such facility or structure is constructed, rust and its appearance, and recommend repainting or other remedial steps to be taken as a condition of renewal; and
- e. Notice of Changes. If any change or addition to the Permit information on the application occurs, such change or addition during the period of the Permit shall be communicated to the City Engineer within ten (10) days of such change or addition.

**M. Permit suspension or revocation.**

- 1. The City Engineer or the City Oil and Gas Inspector may suspend or revoke any Permit issued under this Ordinance upon finding and notification to Operator if:
  - a. Permit Non-Compliance. Operator failed, neglected, or refused to perform and comply with the conditions of the Permit;
  - b. Ordinance Non-Compliance. Operator failed, neglected, or refused to comply with or abide by, or violated any provision of this Ordinance or any regulation, law, rule, or order either directly or indirectly, by or in connection with or incidental to the conduct of Operator's Oil or Gas Operation;
  - c. Health, Safety, and Welfare. Any of the Operator's operations or the continuance thereof upon the premises covered by the Permit are polluting, unsafe, a menace or hazard to public or private property, or to the lives or safety of persons;
  - d. Public Nuisance. Any of the Operator's operations or the continuance thereof upon the premises covered by the Permit constitute a public nuisance;
  - e. Misrepresentation. Operator made any willful misrepresentation of facts in any application for any such Permit or in any report or record required by this Ordinance to be submitted to the City;
  - f. Flaring. Operator burned or allowed to be burned, oil, gas, or other hydrocarbons in the City by unapproved means;
  - g. Abandonment Marker. Operator failed to install a permanent above ground marker identifying the location of each plugged and abandoned Well;
  - h. Non-Compliance with Laws. Operator failed to comply with all federal and state laws and regulations or City Ordinances; and

- i. **Stop Work Order.** Nothing in this section shall prohibit the issuance of a stop work order or other order by the Fire Chief or Police Chief when, in either Chief's professional opinion, there exists a risk of imminent destruction of property or injury to persons. An Operator shall comply with such order and efforts shall be undertaken by an Operator and such City official to bring such circumstances or condition into compliance with this article or pertinent provisions of the International Fire Code, as amended, and any other applicable local, state or federal regulations establishing the issuance of such order.
2. **Suspension or Revocation.** No person shall carry on any operations performed under the terms of any Permit during any period of Permit suspension or revocation, or pending a judgment of the court upon any application for writ taken to review the decision or order of the City in suspending or revoking such Permit; provided, however, nothing contained shall be construed to prevent the performance of such operation in connection with a diligent and bona fide effort to cure and remedy the default or violation for which the suspension or revocation of the Permit was ordered, or such operation for the safety of persons or as required by the Commission.

**N. Abandonment.**

1. Abandonment shall be approved by the City Engineer after restoration of the Drill Site and the subsurface thereof, has been accomplished in conformity with the following requirements:
  - a. **Equipment Removed.** The pump-jack, derrick, all tanks, towers, other surface installations, and all appurtenant equipment is removed from the Drill Site or Oil or Gas Operations Site;
  - b. **Materials Removed.** All concrete, piping, wood, and other foreign materials regardless of depth, except properly severed and sealed surface casing at a depth of not less than ten (10) feet sub-surface, is removed from the Drill Site or Oil or Gas Operations Site;
  - c. **Fill Holes.** All holes and depressions are filled with clean compatible soil;
  - d. **Waste Removed.** All oil, waste oil, refuse, or waste material is removed from the Drill Site or Oil or Gas Operations Site;
  - e. **Abandonment Marker.** A permanent above-ground marker or monument is installed identifying the location of each plugged and abandoned Well; and
  - f. **Abandonment Fee.** Operator pays an abandonment fee in an amount set by Council resolution.
2. **Ordinance Compliance.** During abandonment, Operator shall comply with all sections of this Ordinance.
3. **Building Prohibition.** No structures or buildings shall ever be built or constructed over an abandoned Well bore.



**O. Appeal.**

1. Besides the hearing provided for by this Ordinance, any person who has a Drilling, Re-entry, Re-Fracking, activating, converting, or renewal Permit refused or revoked may, within thirty (30) days, file a written appeal to the City Council under the following procedure:
  - a. Council Authority. The Council shall have and exercise the power to hear and determine appeals where it is alleged there is error or abuse of discretion regarding the revocation or denial of any Permits issued or determination of any idle Well, as provided by this Ordinance;
  - b. Submittal in Writing. An appeal shall be in writing and shall be filed with the City Engineer. The grounds for appeal must be set forth specifically and the error described by the appellant;
  - c. Process. Upon receipt of the appeal, the City Engineer shall place the matter on the Council agenda for hearing and give notice by mail of the time, place, and purpose thereof to appellant, and any other party who requested notice in writing. Within fifteen (15) days after filing the appeal, the City Engineer shall transmit to the Council all documents involved in the proceedings. The City Engineer shall make and transmit to the Council such supplementary reports as the City Engineer may deem necessary to present the facts and circumstances. Copies shall be mailed to the appellant at least ten (10) days prior to the hearing; and
  - d. Council Action. The Council shall hear the appeal on the hearing date unless, for cause, Council shall continue the matter. No notice of continuance need be given if the order therefor is announced at the time for which the hearing was set. The decision of the Council shall be final and may only be reviewed on the abuse of discretion standard.

**P. Acquisition and transfer of existing operations.**

1. Acquisition. Every person who acquires any Well, property or site upon which operations which are subject to this Ordinance, whether by purchase, transfer, assignment, conveyance, exchange or otherwise, shall within ten (10) days after acquiring such Well, property or site, notify the City Engineer in writing of such acquisition. The notice shall contain:
  - a. Operator Acquiring. The name and address of the person acquiring such Well, property or site involving an Oil or Gas Operation;
  - b. Well Name. The name and location of the Oil or Gas Operation;
  - c. Acquisition Date. The date of acquisition;
  - d. Equipment. A description of the properties and equipment acquired, and the Oil or Gas Operation; and
  - e. Notice. The name and address, including facsimile and electronic mail address of an individual designated to receive notice.

2. Transfer. The Operator of every Well shall notify the City Engineer in writing of the transfer to another Operator of such Well for any purpose. The notification shall be within ten (10) days after such transfer by sale, assignment, transfer, conveyance or exchange and shall contain:
  - a. Operator Selling. The name and address of the person to whom such Oil or Gas Operation was sold, assigned, or transferred;
  - b. Relinquished Date. The date when possession was relinquished by the former Operator;
  - c. Operator Acquiring. The name and address of the person acquiring such Well, property or site involving an Oil or Gas Operation;
  - d. Well Name. The name and location of the Oil or Gas Operation;
  - e. Acquisition Date. The date of acquisition;
  - f. Equipment. A description of the properties and equipment acquired, and the Oil or Gas Operations; and
  - g. Notice. The name, address, phone number, and e-mail address of any individual designated to receive service of notice in compliance with the notice provision requirements.

**Q. Designation of existing operations.**

1. A person shall have thirty (30) days after enactment of this Ordinance to designate an Oil or Gas Operation by survey description and plat if an application was made and granted under a prior Ordinance.

**R. Violations**

1. It shall be unlawful and an offense for any person to:
  - a. Permit Non-Compliance. Engage in any activity not permitted by the terms of a Permit issued under this Ordinance;
  - b. Ordinance Non-Compliance. Fail to comply with any condition in a Permit issued under this Ordinance; or
  - c. Ordinance Violation. Violate any provision or requirement under this Ordinance.
2. Penalty. Any violation of this Ordinance shall be punishable by a fine under the general penalty set out in Chapter 1, Section 1-5, of this Code of Ordinances, subject to State law.

## **EXHIBIT “B”**

That Chapter 14, “SERVICE FEES”, Section 14-6 “DEVELOPMENT SERVICES”, Subsection A. “OIL AND GAS DEVELOPMENT APPLICATION FEES” of the Code of Ordinances of the City of College Station, Texas, hereby is amended by adding the following:

- (1) Application fee.
- (2) Annual Permit Renewal fee.
- (3) Abandonment fee.
- (4) Consultant fee.
- (5) Contract Inspector fee.
- (6) Road Maintenance Agreement fee.
- (7) Seismic Survey Permit fee.

## ROAD MAINTENANCE AGREEMENT

This Road Maintenance Agreement (“Agreement”), is made and entered this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the City of College Station, Texas (“City”), a Texas home rule municipality, and \_\_\_\_\_ (“Operator”) for the repair of certain streets and/or roadways maintained in whole or in part by the City as more fully described herein.

WHEREAS, the City had adopted regulations and permitting requirements to reasonably govern oil and gas wells, oil and gas exploration, and oil and gas operations within the jurisdiction of the City; and

WHEREAS, Operator drills, operates, and maintains oil and gas wells \_\_\_\_\_ (“Well(s)”) and, in connection therewith, shall transport or caused to be transported, water, fluids, solids, oil, gas and other related hydrocarbons, and oil and gas well drilling and production equipment on approved truck routes and roadways maintained in whole or in part by the City identified on Operator’s Permit application submitted to the City under Chapter 4 BUSINESS REGULATIONS, Sec. 4-13, Oil and Gas Regulations, of the City’s Code of Ordinances; and

WHEREAS, the nature of heavy (twenty-four thousand pounds (24,000 LBS.) and greater) vehicular traffic during oil and gas well development (drilling), post-drilling well stimulation (hydraulic fracturing or frac’ing), operations, production, and maintenance activities will exceed the normal and anticipated use of the public roadways within the City’s corporate limits; and

WHEREAS, many of the City’s public roadways are not designed to support heavy vehicle loadings and are highly susceptible to increased deterioration rates due to heavy vehicular traffic associated with oil and gas well drilling and production activities; and

WHEREAS, the condition of a road segment decreases in quality with heavy vehicular traffic, and heavy equipment loads produce greater amounts of road damage, which increases overall maintenance oversight, repair, and replacement costs to the roadways, for Operator’s oil and gas well drilling and production activities; and

WHEREAS, the City and Operator, for the mutual consideration, desire to enter into an Agreement for Operator to pay to the City a designated fee for the City to temporarily or permanently repair roadways for the duration of the term of this Agreement in consideration of Operator’s use of the roadways for the activities described hereinabove.

### **ARTICLE 1. REPAIR OBLIGATION**

Operator agrees to pay to the City a designated road maintenance fee (“fee”), as identified and enumerated in Article 3 of this Agreement, for the sole purpose of repairing

damage, excluding ordinary wear and tear, to truck routes as identified on an approved Truck Route Map, Exhibit attached hereto and hereby incorporated by reference, caused by or related to, motor vehicle operations by Operator, its contractors, subcontractors, employees, agents, or representatives in connection with activities authorized by the oil, gas, or combined well permit issued by the City. This obligation to pay all required fees shall continue during the term of this Agreement.

Under this Agreement, the City, after receiving all fees from Operator, and issuance of an oil and gas permit, shall take full responsibility for the repair to damaged roadways when, in the City's determination, such damage is caused by motor vehicle activities of the Operator, only on the approved Truck Route, due to normal and anticipated operations related to the development, production, and maintenance of oil and gas wells, including all associated activities.

During the term of this Agreement, Operator shall periodically inspect the roadways during drilling or hydraulic fracturing stimulation of the oil and gas well to determine whether any damage has occurred because of Operator's activities. Upon discovery of damage by the Operator, the Operator will contact the City Oil and Gas Inspector in writing within forty-eight (48) hours regarding the nature and extent to any identified damage that has occurred because of Operator's activities and operations.

Any other related work requiring interruption of motor vehicle traffic shall require prior submittal and approval by the City Engineer of a Traffic Control Plan under the Texas Manual on Uniform Traffic Control Devices, as amended.

## **ARTICLE 2. TERM OF AGREEMENT**

This Agreement shall commence upon the date stated above and shall continue in full force and effect until Operator's oil and gas well permit issued by the City has expired, has been terminated, or until the Operator has permanently discontinued the activities upon the roadways, as described hereinabove, whichever is later. Operator's obligation to repair the roadways shall terminate under the expiration or termination of the oil, gas, or combined well permit issued by the City or if the Operator has appropriately abandoned the well(s) under the Oil and Gas Regulations of the City's Code of Ordinances, as amended.

## **ARTICLE 3. ROAD MAINTENANCE FEE**

The Road Maintenance Fee shall be calculated by the City using the Equivalent Single Axle Load (ESALs) method to compare pavement load life for the pavement type against the Operator's heavy truck loads. This comparison yields a percentage of the pavement life consumed by the heavy trucks. This direct percentage of impact is the basis of the Road Maintenance Fee. The percentage is further reduced by fifty percent (50%) to acknowledge and recognize local taxes collected from the oil and gas production.

All road segments identified on the Truck Route Map, Exhibit, attached hereto and incorporated by reference, shall be used in calculating the total required Road Maintenance Fee.

Replacement costs for road segments pavement sections shall be determined from current fair market value of road surface material, including installation and labor based on local pavement standards from Bryan/College Station Unified Design Standards (B/CS United) and Brazos County Subdivision and Development Regulations (Brazos County) as below:

B/CS - 8" Concrete	\$ _____/Square Foot
B/CS - 2" HMAC (Asphalt)	\$ _____/Square Foot
County - 1.5" HMAC (Asphalt)	\$ _____/Square Foot
_____	\$ _____/Square Foot

The City shall provide as an attachment to this Agreement, a copy of all calculations directly related to the pavement life consumed by the Operator's heavy trucks and the projected replacement cost, which attachment is incorporated by this reference.

The City's investigation and determination of all aspects of the above referenced methodologies constitute accepted practices of road replacement, repair, and maintenance professionals undertaking similar project evaluations and in the same geographical area. The City observes the same care and skill exercised by professionals under similar circumstances and conditions.

The following fee structure shall apply to each road segment pavement sections to determine the projected replacement cost due to motor vehicle operations and activities related to the oil and/or natural gas exploration, development, production, and abandonment. The following final percentages include the fifty percent (50%) Road Maintenance Fee reduction that acknowledges and recognizes local taxes collected from the oil and gas production.

B/CS - 8" Concrete	_____ %
B/CS - 2" HMAC (Asphalt)	_____ %
County - 1.5" HMAC (Asphalt)	_____ %
_____	_____ %

For multiple wells being permitted for a single site within twelve (12) months, the combined fee should not exceed 90% of total replacement cost.

The City encourages the use of recycled water to reduce waste and the burden the transportation of water within the City bears on the roads of the City. In the event the Operator elects to use recycled water in its Oil or Gas Operations, the City will reduce, credit or refund a portion of the Road Maintenance Fee based on the mutually agreed calculated reduction in road traffic conducted by or for the Operator for Operator's Oil or Gas Operations.

Operator has opted to provide a Recycling Frac' Water Plan to the City. The City has approved the Recycling Frac' Water Plan and the associated reduced heavy truck trips on the approved truck route. The percentage of the estimated heavy truck trip reduction from recycling shall be the percentage of Road Maintenance Fee reduction amount.

If the City determines the Operator did not fully implement the Recycling Frac' Water Plan and/or reduce the heavy truck trips as estimated, the City may assess the Operator for the previously granted fee reduction amount and any increases in the number of heavy truck trips that exceed the original trip estimates proved by Operator when the Road Maintenance Fee was calculated.

Each separate segment of the road route shall be individually assessed, calculated and added together to provide for the total Road Maintenance Fee. The final percentages apply to the replacement cost of the pavement section for one (1) lane each direction for the length of the Truck Route to determine the Road Maintenance Fee. If there are more than one pavement section types in the Truck Route, each segment shall be calculated and summed to determine the total Road Maintenance Fee.

The Road Maintenance Fee, stated and in compliance with all methodologies hereinabove enumerated, shall be \$\_\_\_\_\_.

The Road Maintenance Fee will be paid in full during an oil and gas well permit application submittal to the City Engineer. The permit application shall be considered administratively incomplete until this Agreement is executed, Road Maintenance Fee payment received, and both are on file with the City Engineer.

#### **ARTICLE 4. MISCELLANEOUS PROVISIONS**

Operator, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of the City. Operator shall furnish all equipment and materials to perform and shall act as an independent contractor.

By entering into this Agreement, the City does not waive, nor shall it be deemed to waive, any immunity or defense that would otherwise be available to it against claims arising by third parties.

Operator agrees that the Road Maintenance Fee provided is not a penalty, exaction or impact fee under Chapter 395 of the Texas Local Government Code, and expressly agrees this Road Maintenance Fee is not a charge or assessment imposed by a political subdivision against new development to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development. Further, Operator agrees that the Road Maintenance Fee provided will not be credited to any subsequent roadway impact fees if the property is subdivided or developed.

**ARTICLE 5.  
FORCE MAJEURE**

The performance of this Agreement shall be subject to events of force majeure. Events of force majeure shall mean any contingency or cause beyond the reasonable control of a party including acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto government action (unless caused by acts or omissions of the party), fires, explosions, rain or other weather delays, floods, strikes, slowdowns or work stoppages, but shall not include financial hardship.

**ARTICLE 6.  
ASSIGNABILITY/CONSENT**

Except as otherwise provided, or except as determined by the parties, no party to this Agreement may sell, assign, or transfer its interest in this Agreement, or any of its right, duties, or obligations, without the prior written consent of the other party. Whenever the consent or approving a party is required, such party shall not unreasonably withhold, delay, or deny such consent or approval. Notwithstanding the foregoing, the Operator may assign this Agreement if the oil, gas, or combined well permit issued by the City has been assigned under the Oil and Gas Regulations of the City.

**ARTICLE 7.  
NOTICE**

Any notice given by one party to the other for this Agreement shall be in writing and shall be by personal delivery or sent by certified mail, facsimile or electronic mail; or by U.S. Mail, return receipt requested, postage prepaid; to:

CITY:

City Engineer  
City of College Station  
1101 Texas Avenue  
College Station, TX 77840  
Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_

OPERATOR

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_

Notice shall be deemed to have been received on the date of receipt on the return receipt or other written evidence of receipt.

**ARTICLE 8.  
MODIFICATION**

No waiver or modification of this Agreement or of any covenant, condition, limitation



contained shall be valid unless in writing and duly executed by the party to be charged therewith. No evidence of any waiver or modification shall be offered or received in evidence in any proceeding arising between the parties hereto out of or affecting this Agreement, or the rights or obligations of the parties, unless such waiver or modification is in writing and duly executed. The parties further agree this Article will not be waived unless as set forth.

**ARTICLE 9.  
SAVINGS/SEVERABILITY**

In the event that any one or more of the provisions in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

**ARTICLE 10.  
GOVERNING LAW AND VENUE**

This Agreement shall be construed under and governed by, and of the State of Texas, and all obligations of the parties hereto, created by this Agreement are to be performed in Brazos County, Texas. Venue of any suit or cause of action under this Agreement shall lie exclusively in Brazos County, Texas.

**ARTICLE 11.  
ENTIRE AGREEMENT**

This Agreement and the exhibits attached thereto, constitute the entire agreement among the parties hereto, and supersede any prior understandings or written or oral agreements between the parties regarding the matter of this Agreement. No amendment, modification, cancellation or alteration of this Agreement shall bind on any party hereto unless the same is in writing, dated subsequent to the date, and is duly authorized and executed by the parties hereto.

**ARTICLE 12.  
WAIVER OF TERMS AND CONDITIONS**

The failure of the City to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain in full force and effect.

**ARTICLE 13.  
CAPTIONS**

The captions in this Agreement are for informational purposes only and shall not affect the substantive terms or conditions of this Agreement.

**ARTICLE 14.  
COUNTERPARTS**

This Agreement may be executed in many counterparts, each of which shall be deemed an original, and constitute the same instrument.

IN WITNESS WHEREOF, the parties affix their signatures and enter this Agreement as of the date hereinabove set forth.

\_\_\_\_\_  
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**CITY OF COLLEGE STATION**

By: \_\_\_\_\_  
Mayor  
Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
City Secretary  
Date: \_\_\_\_\_

**APPROVED:**

\_\_\_\_\_  
City Manager  
Date: \_\_\_\_\_

\_\_\_\_\_  
City Attorney  
Date: \_\_\_\_\_

\_\_\_\_\_  
Assistant City Manager/CFO  
Date: \_\_\_\_\_

Add Acknowledgements  
Add Exhibits

# Road Maintenance Fee - One Mile Truck Route Example

<b>Pavement Type</b>	<b>Cumulative ESAL Impact (%)</b>	<b>Cumulative ESAL Impact w/ 50% Fee Reduction (%)</b>	<b>Pavement Replacement Cost (\$/sf)</b>	<b>Total Cost of one mile of 2 - 13 ft Lanes (\$)</b>	<b>Total Fee/Mile w/ 50% Fee Reduction (No Recyc Fee Reduction) (\$)</b>
B/CS - 8" Concrete	1.5	0.75	10	\$1,372,800	\$10,296
B/CS - 2" HMA (Asphalt)	10.7	5.35	8	\$1,098,240	\$58,756
County - 1.5" HMA (Asphalt)	19	9.5	6	\$823,680	\$78,250

Assumptions:

(The following assumptions are example values, current and specific values for each well will be used to calculate the fee.)

- 1) 300 Drilling Trucks (FHWA Truck Class 9)
- 2) 700 Frack Trucks (FHWA Truck Class 9)
- 3) 100 Production Trucks/Year for 20 Years = 2,000 Production Trucks (FHWA Truck Class 8)
- 4) Typical Local Pavement Sections for Collectors are depicted, other pavements to be determined
- 5) Reconstruction Cost of One mile of 13 ft wide lane of pavement, each direction, for the approved Truck Route on City Streets
- 6) A 50% Fee Reduction acknowledges local taxes are collected from oil and gas production
- 7) If a Recycling Frac Water Plan is approved and implemented, additional Fee Reduction directly proportional to truck reduction applies

## ACCEPTANCE, INDEMNITY AND FINANCIAL ASSURANCE AGREEMENT

**THIS ACCEPTANCE, INDEMNITY AND FINANCIAL ASSURANCE AGREEMENT** is dated as of \_\_\_\_\_, among \_\_\_\_\_ a \_\_\_\_\_ corporation (the “Operator”), and The City of College Station, Texas (the “City).

Reference is made to (a) the Permit dated as of \_\_\_\_\_ (as amended, supplemented or otherwise modified from time to time, the “Permit”), among the Operator and the City, and (b) the Business Regulations of the City Sec. 4-13. Oil and gas regulations (as amended, supplemented or otherwise modified from time to time, the “Oil and Gas Regulations”). Capitalized terms used and not defined shall have the meanings assigned to such terms in the Oil and Gas Regulations.

The City has agreed to permit Operator under, and upon the terms and subject to the conditions specified in the Oil and Gas Regulations and this Agreement to substitute this Agreement in lieu of certain requirements for Security Bonds, Letters of Credit, Cash, Certificates of Deposit and Insurance to secure and ensure performance of Operator under the Oil and Gas Regulations. The obligations of the City to permit this are conditioned on the execution, delivery and performance by Operator of the Permit and this Agreement.

The Operator and the City agree:

SECTION 1. Indemnity and Subrogation and Payment. Besides all such rights of indemnity and subrogation as the City may have under the Oil and Gas Regulations, the Permit and applicable law (but subject to Section 3), the Operator agrees that if a written demand for payment shall be made by the City under the Oil and Gas Regulations, the Operator will within forty eight (48) hours pay the City cash for the demand. The right of the City to make written demand for payment shall be a recurring right if this Agreement is in effect. If Operator does not make the payment demanded by the City, then the Oil and Gas Regulations relative to Security Bonds, Letters of Credit, Cash or Certificates of Deposit and Insurance shall immediately apply and Operator shall be in violation of the Oil and Gas Regulations and subject to all remedies contained in them.

SECTION 2. Contribution and Subrogation. Operator agrees that if a payment shall be made by any other Person under this Agreement and such other Person (the “Claiming Person”) shall not have been fully indemnified by the Operator as provided in Section 1, the Operator shall indemnify the Claiming Person in an amount equal to such payment. Any Claiming Person paying the City under this Section 2 shall be subrogated to the rights of Operator under Section 1 for such payment.

SECTION 3. Subordination. Notwithstanding any provision to the contrary, all rights of the Operator and all other rights of indemnity, contribution or subrogation or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the payment made to the City. No failure by the Operator to make the payments required under this Agreement, applicable law or otherwise shall limit the obligations and liabilities of the Operator regarding its obligations, and each Operator shall remain liable for the full obligations of such Operator.

SECTION 4. Termination. This Agreement shall survive and be in full force and effect if any Permit is outstanding and the City has not been indefeasibly paid in full in cash, and so long as any of the Oil and Gas Regulations relating to Security and Insurance have not been modified or terminated, and shall continue to be effective or be reinstated if payment is made to the City under this Agreement or the Permit is rescinded or must otherwise be restored by Operator upon the bankruptcy or reorganization of the Operator or otherwise.

SECTION 5. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS.

SECTION 6. No Waiver; Amendment.

(a) No failure on the part of the City to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy by the City preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies are cumulative and are not exclusive of any other remedies provided by law. The City shall not be deemed to have waived any rights unless such waiver shall be in writing and signed by the City.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into between the Operator and the City.

SECTION 7. Notices. All communications and notices shall be in writing and given as provided in the Permit and addressed as specified.

SECTION 8. Binding Agreement; Assignments. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the parties in this Agreement shall bind and inure to the benefit of their respective successors and assigns. The Operator may not assign or transfer any of its rights or obligations (and any such attempted assignment or transfer shall be void) without the prior written consent of the City.

SECTION 9. Survival of Agreement; Severability.

(a) All covenants and agreements made by the Operator herein and in the Permit or Oil and Gas Regulations prepared or delivered in connection with this Agreement or the Oil and Gas Regulations shall be considered to have been relied upon by the City and shall survive the making of this Agreement, and shall continue in full force and effect as long as the Operator under the Permit, Oil and Gas Regulations or this Agreement is outstanding and unpaid.

(b) In case one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, no party hereto shall be required to comply with such provision for so long as such provision is held to be invalid, illegal or unenforceable, but the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes close to that of the invalid, illegal or unenforceable provisions, or replace this Agreement with the requisite Security Instruments and Insurance provided for in the Oil and Gas Regulations.



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS, AMENDING RESOLUTION NO. 08-27-09-02 ADOPTED ON AUGUST 27, 2009, SETTING AND AMENDING FEES ESTABLISHED IN CHAPTER 14 "SERVICE FEES".

WHEREAS, on August 27, 2009, the City Council adopted by Resolution No. 08-27-09-02, which contained a fee schedule establishing fees to be paid for services related to development in the City effective October 1, 2010; and

WHEREAS, the City Council of the City of College Station, Texas, desires to amend Resolution No. 08-27-09-02, to set fees established in Chapter 14 "Service Fees", as provided in Exhibit "A" herein; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLLEGE STATION, TEXAS:

- PART 1: That the City Council hereby amends Resolution No. 08-27-09-02, and its subsequent amendments, to set those fees established in Chapter 14 "Service Fees".
- PART 2: That the additional fees described above are as set out in Exhibit "A" herein.
- PART 3: That said additional fees provided for in Exhibit "A" shall take effect on February 1, 2015.

ADOPTED this 22nd day of January, A.D. 2015.

ATTEST:

APPROVED:

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Mayor

APPROVED:

\_\_\_\_\_  
City Attorney

**Exhibit “A”**

<b>Type of Project</b>	<b>Fees Effective February 1, 2015</b>
Administrative Adjustment	\$93
Alternative Parking Plan	\$93
Banner Permit Fee	\$200
Comprehensive Plan Amendment	\$1,165
Conditional Use Permit	\$1,165
Design Review Board	\$350
Development Permit/Public Infrastructure Review and Inspection Fee	One percent (1%) of infrastructure cost (\$600 minimum)
Development Plat	\$932
Final Plat	\$932
Final plat (minor or amending)	\$700
License to Encroach	\$757
MUD – Petition to Create District	\$30,000
MUD – Petition to Acquire/Annex Land	\$30,000
MUD – Infrastructure Plan Review & Inspection (Including in ETJ)	One percent (1%) of infrastructure cost (\$600 minimum)
Non-Residential Architectural (NRA) Review*	\$350
Oil & Gas – Application	\$6,000
Oil & Gas – Annual Permit Renewal	\$2,000
Oil & Gas – Abandonment	\$2,000
Oil & Gas – Consultant	Contracted Cost
Oil & Gas – Contract Inspector	Contracted Cost
Oil & Gas – Road Maintenance Agreement	As Calculated
Oil & Gas – Seismic Survey Permit	\$5,000
PDD Amendment - Staff Review Only	\$175
PDD Amendment - P&Z/Council Review	\$315
PIP Permit	\$350



Portable Storage Container Permit Fee	\$40
Preliminary Plat	\$932
Rezoning	\$1,165
ROW/Easement Abandonment	\$700
Sign Permit except for banner sign	\$72 permit fee + \$58 review fee
Site Plan	\$932
Variance – Subdivision Regulations	\$233
Written Interpretation	\$105
Zoning Board of Adjustment	\$350
Zoning Letter	\$93

\*Excludes existing projects involving painting only