

ORDINANCE NO. O-2011-39

AN ORDINANCE AMENDING O-2010-41; REGULATING THE DRILLING OF OIL, AND/OR GAS WELLS WITHIN THE CITY LIMITS OF THE CITY OF PHARR; DEFINING CERTAIN TERMS; DECLARING THE NECESSITY FOR REGULATIONS; PROHIBITING DRILLING IN STREETS AND ALLEYS AND WITHIN CERTAIN DISTANCE OF BUILDINGS; REGULATING THE DISTANCE AND BRINGING IN OF WELLS NEAR SCHOOL PREMISES; REGULATING SLUSH PITS, WASTE, REFUSE AND TRASH; REQUIRING ENCLOSURE OF COMPLETED WELLS; PROHIBITING STORAGE OR RECEIVING TANKS AND REQUIRING TIMELY REMOVAL OF DERRICKS; PRESCRIBING TYPE AND AMOUNT OF SURFACE CASING; PRESCRIBING METHODS OF CEMENTING AND TESTING SURFACE CASING WITH CONDEMNATION OF SAME UNDER CERTAIN CONDITIONS; PRESCRIBING TYPE OF PRODUCING STRING AND ITS METHOD OF TESTING WITH CONDEMNATION UNDER CERTAIN CONDITIONS; PRESCRIBING METHOD OF SETTING AND CEMENTING PRODUCING STRING; PRESCRIBING TYPE OF BLOWOUT PREVENTER; MASTER GATE AND OTHER CONNECTIONS AND PRESCRIBING EIGHT (8) HOUR TESTS OF PREVENTER AND POUNDS TEST FOR EQUIPMENT; PROVIDING FOR DRILLING FLUID AT BOTTOM OF HOLE AT ALL TIMES; PRESCRIBING WEIGHT AND VISCOSITY OF DRILLING FLUID AND PROVIDING EIGHT (8) HOUR TESTS FOR SAME; PROVIDING FOR MUFFLERS ON ALL STEAM EXHAUSTS ON PUMPS, BOILERS AND EQUIPMENT; REQUIRING BRADENHEAD AND PRESCRIBING WORKING PRESSURE OF SAME; REQUIRING DIRECTIONAL SURVEY OF WELL; REQUIRING CHRISTMAS TREE AND PRESCRIBING WORKING PRESSURE OF SAME; PRESCRIBING PRODUCING TUBING; PRESCRIBING TYPE OF SEPARATOR; PROVIDING FOR ADEQUATE CHOKE, OR BEANS; PROVIDING FOR OPERATION DISTANCE OF BOILER OR ELECTRIC LIGHTING GENERATOR FROM PRODUCING WELL OR TANK; PROVIDING FOR SWABBING AND BOILING OPERATIONS AND DRILL STEAM TEST DURING DAYLIGHT HOURS; PROVIDING FOR CITY INSPECTOR TO MAKE TEST AND EXAMINE PREMISES AT ALL REASONABLE HOURS; MAKING IT UNLAWFUL TO COMMENCE DRILLING WITHOUT A PERMIT; SETTING A PERMIT FEE AND PROVIDING THAT CASH DEPOSIT ON SAID PERMIT ACCOMPANY APPLICATION AND PROVIDING INFORMATION APPLICATION MUST SHOW; PROVIDING FOR DRILLING BOND PRESCRIBING THE AMOUNT AND CONDITIONS OF SAID BOND; PRESCRIBING OPERATING BOND AND CONDITIONS OF SAME; PROVIDING FOR RECYCLING WELLS; PROVIDING THAT PERMIT SHALL CONSTITUTE FRANCHISE OR USE OF STREETS AND ALLEYS FOR OPERATION AND PRODUCING PURPOSES; PROVIDING WHAT PERMIT FEE SHALL RECOVER; PROVIDING FOR EXPIRATION OF PERMIT IN SIX MONTHS IF DRILLING NOT COMMENCED; PROVIDING FOR AMENDING ORDINANCE; PROVIDING FOR PENALTY FOR VIOLATION; ENFORCEMENT BY CITY ATTORNEY; REPEALING ALL CONFLICTING ORDINANCES OR PARTS THEREOF AND PROVIDING THAT ANY VOID SECTION, OR PART THEREOF SHALL NOT EFFECT THE BALANCE OF THE ORDINANCE; AND DECLARING EMERGENCY.

WHEREAS, the City of Pharr hereby acts in exercising its legislative powers to define acts and prohibit the commission of those acts that may be detrimental to the public health, safety, and welfare of the residents of the City of Pharr or persons located within its corporate boundaries.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF PHARR, TEXAS, THAT:

SECTION 1. That the following meaning shall be given to the following words used in this Ordinance; the word "he" shall include she, it and they; the word "him" shall include her, it and them; the word "person" shall mean natural persons, husband and wife, joint tenants, tenants in common, corporations , partnerships, joint stock associations, municipal corporations in the State of Texas; the word "City" shall mean the incorporated City of Pharr; the words "City Clerk" shall mean the City Clerk of Pharr; the word "Mayor" shall mean the Mayor of Pharr; and the word "Owner" or Owners" as - used in this Ordinance shall mean the owner in fee simple or a mineral owner by a good and merchantable title of or in and to the particular real estate referred to, subject only to liens to secure debts, and lien holders shall not be considered an owner.

SECTION 2. It appearing to the City Commission that certain persons may commence the search for and, if found, the production of oil and/or gas within the city limits of the City of Pharr, and it appearing to the City Commission that it is necessary and desirable that the drilling of wells for and production there from of oil and/or gas be regulated in order to promote the public welfare and to guard and protect the persons, lives and properties of the people in the City and of those passing through the City from the dangers and hazards of the escape of gas, fire, explosions, cratering and other dangers indicant to oil fields and production of oil and gas, this Ordinance, is, therefore, passed for the purpose of protecting the health, life and property, to preserve and enforce good government, order and security of the City of Pharr and its inhabitants, and for the purpose of preventing nuisances in the exploration, drilling for and production of oil/or gas within the city limits of Pharr.

SECTION 3. It shall be unlawful to drill any well for oil or gas within any of the streets or alleys of the City. It shall be unlawful to block, encumber or close up any street or alley in the drilling or production operations, except by special permit by order of the governing body, and then only temporarily.

SECTION 4. No well for oil or gas shall be drilled not permit be given to drill any such well for oil or gas within five hundred (500) feet of any residence or commercial building without the permittee first having secured the permission of the owner or owners or authorized representatives thereof to drill such well.

SECTION 5. No well for oil or gas shall be drilled and no permit shall be given to drill a well for oil or gas where the hole is to be drilled within less distance than four hundred (400) feet from any school building and one hundred (100) feet from the boundary line of any land used as a school, Church, or public building site in the City of Pharr. No well shall be drilled-in or drill steam test made within seven hundred (700) feet of any school or Church grounds in the City of Pharr during school hours or from 8:00 A.M. to 5:00 P.M., any day school is in session or at a time when Church is being held.

SECTION 6. No earthen slush or mud pits shall be dug or used within the corporate limits of the City of Pharr in the drilling of any oil or gas well, other than reserve pits, completely surrounded by a fence of at least four (4) feet in height.

SECTION 7. No waste, refuse, trash, waste oil or waste water shall be permitted to remain on the premises where an oil or gas well is being drilled or being produced.

SECTION 8. All oil and/or gas wells when completed shall be enclosed by a good and substantial smooth net wire fence, sufficiently high and properly built so as ordinarily to keep persons and animals out of the enclosure. Gate to the enclosure to be kept locked when the permittee or his employees are not at the premises.

SECTION 9. After any oil and/or gas well is brought into production, all derricks shall be timely taken down after the completion of the well and there shall remain on top of the ground during the natural flowing life of the well, only a Christmas Tree and pipes leading thereto or leading there from. All flares, separator tanks and all other equipment shall be removed from drilling site as soon as well is completed and is completely tested and the same shall not be allowed to be kept within the corporate limits of the City of Pharr unless the Board of Commissioners of the City of Pharr, after a thorough study, determine that allowing the same to remain within the corporate limits of the City of Pharr will not deface the city or will not be unsafe to citizens of the City of Pharr. Nothing in this section shall, however, be construed as prohibiting the installation of all necessary reconditioning of the well and when the time comes where the natural flow has ceased, or become so light as to make necessary the installation of pumps, all such derricks and equipment may be installed for such purpose and the pumping equipment maintained for said well.

SECTION 10. In the drilling of an oil and/or gas well, new pipe with a mill test pressure of not less than one thousand (1,000) pounds per square inch shall be set for surface casing at a dept of not less than twelve hundred fifty (1,250) feet below the surface and cemented from the bottom of the pipe to the surface with proper mixture of cement. Cementing shall be by the pump and plug method. Cement shall be allowed to stand under pressure a minimum of twenty-four (24) hours before drilling plug or initiating test. Casing shall be tested by pump pressure in the following manner; remove mud from hole and replace with water; apply pump pressure of at least one thousand (1000) pounds per square inch; if at the end of thirty (30) minutes the pressure shows a drop of one hundred (100) pounds or more, casing shall be condemned. After corrective

operation, casing shall be condemned. After corrective operation, casing shall again be tested in the same manner until the same shall be found to comply with the above specifications.

SECTION 11. In the drilling of an oil and/or gas well, the producing or oil string shall be new casing that has been tested to three thousand (3,000) pounds per square inch and after cementing it, it shall be tested by pump pressure in the following manner; pump pressure of at least three thousand (3,000) pounds per square inch shall be applied. If at the end of thirty (30) minutes, the pressure shows a drop of one hundred (100) pounds, or more, the casing shall be condemned. After corrective operation, the casing shall again be tested in the same manner until the same conforms to the above specifications.

SECTION 12. The position of the producing horizon in any oil or gas well shall be determined by coring and/or testing. The producing string shall be cemented at the top of such producing horizon or lower. Cementing shall be by the pump and plug method. A sufficient quantity of cement shall be used so that it will fill the annular space back of the pipe to a distance of not less than six hundred (600) feet above shallowest and capable of producing oil or gas in commercial quantities. Cement shall be allowed to stand a minimum of forty-eight (48) hours under pressure before drilling plug or initiating tests.

SECTION 13. A ram type blow-out preventer, master gate and other connections for keeping any oil or gas well under control at all times shall be installed as soon as pressure is released from the surface casing. The blowout preventer shall be of dual control or of such type of construction and operation as to satisfy any test which may be required by the Railroad Commission, or City Inspector. Blow-out preventer shall be tested at least once every eight (8) hours. All control equipment shall be in good working order and condition at all times and shall have been tested to at least six thousand (6000) pounds pressure.

SECTION 14. That after the setting of surface casing, as in this Ordinance provided, and drilling operations commenced, there shall be kept at all times a mud laden fluid for drilling purposes of a minimum weight of nine and one-half (9 ½) pounds per gallon and a viscosity not greater than fifty (50) sections based upon the American Petroleum Institute method of testing, and such mud laden fluid shall be tested during drilling operations each eight (8) hours; and just before a well is to be drilled in or a drill steam test made, the mud laden fluid shall be tested while circulating and shall be made to conform to the above specifications before proceeding. When coming out of the hole with the drill pipe, the drilling fluid shall be circulated until equalized and a fill-up line shall be turned into the casing to insure a full load of fluid on the bottom of the hole at all times.

SECTION 15. All steam exhausts on pumps, boilers and equipment used for drilling well shall be equipped with mufflers.

SECTION 16. All wells shall be equipped with Bradenhead with working pressure of not less than five thousand (5,000) pounds per square inch. Bradenheads shall not be welded and, as soon as installed, the same shall be equipped with the proper pipe connections and valves accessible at the surface.

SECTION 17. Christmas tree fitting or well head connections shall have a minimum working pressure of five thousand (5,000) pounds per square inch or a minimum test pressure of ten thousand (10,000) pounds per square inch.

SECTION 18. All natural flowing wells shall be equipped with and produced through tubing of not more than three (3) inches in diameter. Bottom of tubing shall not be higher than the top of the producing sand. If tubing is perforated, the perforations shall not extend above the top of the sand.

SECTION 19. All wells shall be equipped with adequate choke, or beans, to properly control the flow thereof.

SECTION 20. No boiler or electric lighting generator shall be operated nearer than one hundred fifty (150) feet of any producing well or an oil tank.

SECTION 21. All swabbing and/or bailing operations and/or drill steam tests on oil or gas wells shall be done and completed in the daylight hours after sunrise and before sunset, except wells referred to in Section 5 hereof.

SECTION 22. That those in control of the drilling or operations of any oil or gas well in the City of Pharr shall permit the City Inspector of Pharr to come upon the premises and make inspections and tests at all reasonable hours.

SECTION 23. It shall be unlawful for any person to commence to drill a well for oil or gas within the City of Pharr, or to work upon or to assist in any way in the prosecution of any such well, without a permit for such well and for the prosecution of such development having first been issued by the City in accordance with the terms of this ordinance.

SECTION 24. That every application for a permit to drill a well for oil and gas shall be in writing, signed by the Applicant or some authorized person in his or its behalf. It shall be filed with the City Clerk and be accompanied with a cash deposit of \$3,000.00 dollars, which cash deposit shall be held in a special fund until the permit is issued and the well is commenced to be drilled.

The application shall also be accompanied with a map or a plot of the exact location of this proposed well. In making such location the permittee may take into consideration improvements which now exist.

Such application shall also be accompanied with a duly executed bond as a drilling bond given by the Applicant, as to do business in the State of Texas, as surety, payable to the Mayor of the City of Pharr and his successors in office, conditioned that if the permit be granted the Applicant and his or its assigns will comply with the terms and conditions of this Ordinance in the drilling of the well, that the Applicant will restore the streets and sidewalks and other public places of the City, which may be injured in the operations, to their former condition; will clear the lots and blocks of all litter, machinery, derricks, buildings, trash and waste erected, used or allowed in the drilling of such well when the well shall be completed as a producing well or plugged and abandoned as a dry hole. Such bond shall be in the sum of \$25,000.00 dollars, or in such amount as the City's governing body may determine, and before the permit will be issued) said bond shall be approved by the Mayor and filed with the City Clerk. Said bond shall become effective by at least twenty-four (24) hours prior to the time drilling on well commences and shall remain in full force and effect until such well is abandoned as a dry hole and plugged, or completed as a producing well.

In addition to such bond, permittee shall carry public liability insurance in a minimum amount of Three Hundred Thousand (\$300,000.00) Dollars for one person and One Million (\$1,000,000.00) Dollars for one accident, and property damage insurance in a minimum amount of not less than One Million (\$1,000,000.00) Dollars for one accident, with a company authorized to do business in the State of Texas, which shall be in force and effect during the drilling of such well and until the completion thereof as a producing well or the abandonment and plugging thereof as a dry hole. A certificate of insurance shall be furnished by such permittee to accompany such application and shall be subject to the approval of the governing body of the City of Pharr.

In the event lily such well is completed as commercially producing well, then permittee shall be required to carry public liability insurance in a minimum of Three Hundred Thousand (\$300,000.00) Dollars for one person, and One Million (\$1,000,000.00) Dollars for one accident, and property damage insurance in a minimum amount of not less than One Million (\$1,000,000.00) Dollars for one accident, which shall remain in force and effect and be so carried as long as such well is producing oil or gas or either of them in commercial quantities and until plugged and abandoned. A certificate of insurance, subject to the approval of the governing body of the City of Pharr, is to be furnished annually by permittee or the owner and operator of such well, showing that such insurance is carried.

A permit for an input or reception well for recycling purposes may be obtained by a person owning oil and/or gas wells in the City of Pharr at some convenient place in the City of Pharr, under the same terms and conditions as provided in this Section for the obtaining of a permit to drill a well for oil and gas, exception that such well shall be drilled in accordance with this ordinance, and that there may be maintained upon its site such machinery as is necessary for the production of pressure and recycling purposes. Such well shall be for recycling purposes only and not to produce oil or gas.

SECTION 25. If an application be found by the City Clerk to comply in all respects with the terms of this ordinance, and the Board of Commissioners of the City of Pharr authorizes him, he shall issue a permit for the drilling of the well applied for. The permit shall specify the particular location of the well to be drilled and it shall be unlawful for the permittee to drill else where without the approval of the City Clerk in writing as authorized by the Board of Commissioners of the City of Pharr. Such permit shall be authority for and a franchise granted to the permittee to use the streets and alleys for pipe lines, telephone poles, and lines and other equipment for the purpose of conveying into the City drilling mud or fluid, gas and water for drilling operations and other service connected therewith, and for conveying out of the City oil and gas and other products produced from any well, but it shall be a condition of said franchise that all pipe lines shall be buried beneath the surface of the streets and alleys and to such depth as determined by the Board of Commissioners of the City of Pharr which shall be safe for the pressure carried, and further conditioned that the permittee, at his own expense, shall at all times restore and repair the streets and alleys of any injury caused by permittee in laying pipes and conduits and that he will not injure the lines of franchise holders or public service lines. If the permit for a well shall be refused or the drilling of the well for which the permit is issued is not commenced within the time specified in this ordinance, the cash deposit provided for in the preceding section shall be returned to the Applicant, except there shall be retained therefrom One Hundred (\$100.00) Dollars as a filing and consideration fee.

SECTION 26. The permit fee of \$3,000.00 Dollars in this ordinance provided to be paid by the permittee for a permit for the drilling in the City of Pharr, shall accrue to the City and shall be full and complete compensation for all franchises granted and the expenses of inspection and other fees that may be incurred by the City for the supervision and inspection of the drilling, production operations of such well and all other operations connected therewith for which such permit fee was paid. Nothing in this Section shall, however, relieve the permittee from the obligation to properly repair the streets, alleys and public properties in case they are used in such drillings or production operations.

SECTION 27. That neither this ordinance nor any permit issued hereunder shall be interpreted to grant any right or license to the permittee to enter upon or occupy in any respect in the drilling or production operations any land not under contract or lease to him, except by the written consent of the owner.

SECTION 28. If any permittee who has been granted a permit hereunder does not in good faith commence operations for the drilling of a well for oil and gas within six (6) months from the date of the issuance of such permit, then such permit shall be null and void and no well shall be drilled on such particular location described in said permit, until another permit is granted therefore on the same terms and conditions as provided in this ordinance for the granting of a permit.

SECTION 29. This Ordinance may be changed, amended or repealed at any time by the Board of Commissioners of the City of Pharr.

SECTION 30. (a) That any violation of any of the terms of this ordinance, whether herein denominated as unlawful or not, shall be deemed a class c misdemeanor, and any person convicted of any such violation shall be fined in any sum not exceeding Two Hundred (\$200.00) Dollars, and each day of the continuance of such violation shall be considered as a separate offense and be punishable separately, and any person, agent or employee engaged in any such violation shall on conviction be so punished therefore.

(b) Should any person or business commit violate this ordinance, the City Attorney may take any action to enforce this or any ordinance to prevent and summarily abate and remove any unlawful conditions. These actions may include but not be limited to allowing for municipal resources and personnel to: abate any premises or property, closure, condemn, remove any person or thing, court action, suspend, cancel, or void any license or permit issued by the City of Pharr, and any and all other relief as may be necessary.

SECTION 31. That all ordinances or parts of ordinances of the City which are in conflict with any terms of this ordinance be, and the same are, hereby repealed, except those ordinances which pertain to zoning of the City of Pharr and which will remain in full force and effect.

SECTION 32. That if any section or part of section of this ordinance shall be held to be void or unenforceable, the same shall not affect any other section of this ordinance, and all parts of this ordinance not so held void or non-enforceable shall remain in full force and effect.

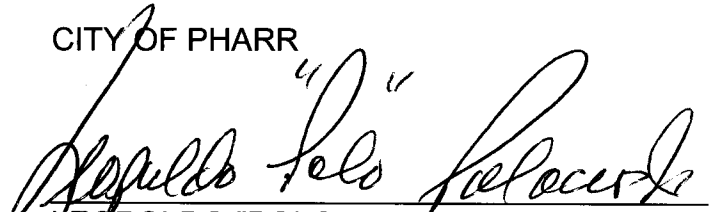
SECTION 33. The necessity and purposes stated and set out in Section 2 of this ordinance create an emergency and the same is hereby declared an emergency and this ordinance shall take effect immediately in its passage. Publication, if necessary, may also be in caption form as allowed under Section 9 of the Pharr City Charter.

SECTION 34. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED AND APPROVED BY THE BOARD OF CITY COMMISSIONERS OF THE CITY OF PHARR, TEXAS, on the first and final reading on this the 16th day of August, 2011, A.D.

Ordinance No. O-2011-39
August 16, 2011

CITY OF PHARR


LEOPOLDO "POLO" PALACIOS, JR., MAYOR

ATTEST:


HILDA PEDRAZA, CITY CLERK