

CHAPTER TWELVE
OIL AND WATER WELLS.
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- 12-1. Permit required.
- 12-2. Same--Application; Insurance; Agreement; Deposit.
- 12-3. Provisions Covering Operation of Wells.
- 12-4. Providing Geological Information to the City; Ownership of Nonproducing Hole.
- 12-5. Compensation for Surface Damages to City Land.
- 12-6. Issuance.

12-1. Permit--Required.

No well of any type or nature shall be dug or drilled, nor shall any work in preparation therefore be commenced within the boundaries of the city, unless and until the person desiring to dig or drill such well has first applied for and received a permit allowing the commencement of drilling operations. All applicable codes, ordinances and statutes adopted by the City shall be enforced including Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, National Electrical Code, Design Criteria Manual, Drainage Criteria Manual, Construction Standards, Zoning Ordinance, Subdivision Regulations, and NFPA-59A. (Ord. No. 629, 1, 8-18-70 ; Ord. 3148, 4-2-2001)

12-2. Same--Application; Insurance; Agreement; Deposit.

A. Application.

Every person, firm or corporation desiring a permit allowing the commencement of drilling operations shall file a written application therefore with the city engineer, such application shall show the following information:

(1) The name and address of the mineral and royalty owner or owners, a copy of the oil and gas lease and the drilling permit from the State of Wyoming or the application if a permit has not yet been issued, shall be attached.

(2) The name and address of the applicant, including the name and phone number of a local representative.

(3) The exact surveyed description of the location of the proposed well.

(4) The name and address of each property owner of all property within five hundred feet of the proposed well and there shall be filed

(Revised April 2001)

concurrently the written confirmation that each property owner has been notified of the drilling application.

(5) The provisions to be utilized by the drilling contractor to protect the fresh water bearing formations which shall include proper setting and cementing of surface casing as required by the Wyoming Oil and Gas Conservation Commission, and, in the case of coal bed methane wells, casing the total depth of the well to within ten feet of the top of the producing formation.

(6) A statement showing where the necessary water for drilling will be obtained and how such water shall be delivered to the drill site.

(7) A statement and map showing what road or street will be utilized for the transportation of the necessary equipment and support supplies and the approximate weight of each load thereof. All loads shall be within established weight limitations.

(8) A written statement detailing what precautions will be observed in order to prevent fire and a blowout or runaway well. Such precautions shall meet or exceed State of Wyoming Oil and Gas Commission standards.

B. Insurance.

There shall be attached to the application a statement from an insurance company authorized to do business in the state attesting that the applicant has general liability insurance covering both property damage and personal injury in the minimum of one million dollars per occurrence.

C. Agreement.

There will be attached to the application an agreement signed and executed by the mineral lessee and the drilling contractor agreeing to the following conditions:

(1) That a responsible person or persons will be detailed to keep all spectators at least one hundred feet away from the drilling machinery and to

insure that no children will be allowed on, in or near the equipment. Temporary fencing or a security person on site 24 hours per day, may be required during drilling and development operations, on notice from the City Engineer.

(2) That upon completion of the well, the location will immediately be restored to the same or better conditions as it existed prior to commencement of drilling, as soon as reasonably possible with the approval of the City Engineer, but in no event later than nine months after completion of the well.

(3) Upon abandonment of the well, the applicant shall be responsible for site reclamation of all facilities required by this ordinance.

(4) That no streets, roads or alleys will be blocked, even temporarily.

(5) That the City and the Campbell County Fire Department, through their duly appointed inspectors may inspect the equipment and premises at any and all times to insure the safe operation thereof.

(6) That the drilling equipment shall at all times be operated in a prudent fashion.

D. Deposit

There shall be deposited with the application, the sum of Sixteen thousand five hundred dollars (\$16,500) in lawful currency or by letter of credit or by a commercial surety bond for each well, which amount shall be forfeited upon the violation by the applicant, of any of the terms of the agreement. The cash bond, commercial surety bond or letter of credit may also be used for site reclamation of all facilities required by this ordinance which are not covered by the bond posted with the Wyoming Oil and Gas Conservation Commission. (Ord. No. 629, 2, 8-18-70; Ord. 3148, 4-2-2001)

12-3. Provisions Covering Operation of Wells.

A. Existing wells, completed by the effective date of this ordinance, shall be operated, serviced and maintained in conformity with all City ordinances governing the permit issued, including bonding requirements, safety and the use of rights of way and all ordinances concerning building and electrical codes and safety, and in conformity with all regulations of the Wyoming Oil and Gas Conservation Commission.

B. There shall be deposited with the application for a permit for a new well an executed agreement covering the operation of such well in the event that it should be a producer to show that the operator will proceed according to the terms of this ordinance. All oil and gas wells drilled in the city must meet the following requirements:

(1) The tank battery shall be located where designated by the City Engineer. The well head shall be restricted to a minimum distance of 50 feet from the nearest property line. No structures may be constructed within 20 feet of transmissions lines constructed pursuant to this ordinance to convey gas or water.

(2) Wells for oil and natural gas shall be drilled and operated in accordance with Section 79.1102 of the Uniform Fire Code.

(3) The pump and well head installation shall be enclosed in a structure in order to protect equipment and to provide a more secure facility. The actual well house enclosure shall be anchored to the ground and shall be non-combustible according to NFPA 59A, shall be vented and locked at all times to prevent access thereto to unauthorized persons.

All buildings housing wells or gas collection or distribution piping shall contain monitoring equipment capable of detecting the level of methane gas, hydrogen sulfide gas and other noxious or explosive gases as required by the Chief Building Official. The monitoring equipment shall be alarmed to an appropriate 24 hour monitoring agency.

(4) The immediate area around the building shall be fenced and landscaped and planted in order to enhance the appearance of the site.

Sites shall be screened from adjoining residential, commercial or office districts on adjacent lots through the planting and maintenance of 6 - 8 ft. tall live trees as a visual screen on all affected sides of the well site.

The applicant shall submit a landscaping plan for each well site for approval by the City Engineer and the Fire Marshall, showing the location of proposed plantings for screening in relation to the fence, well head and any other surface improvements. All plantings shall be maintained and kept alive or replaced with new plants until the well is abandoned and the site reclaimed.

The applicant shall submit a fence layout on a site plan for a seven foot tall industrial grade chain link fencing with a locking gate or gates, warning signs and a 3-wire barbed wire security top at 45 degrees to exterior, which plan shall be reviewed by the City Engineer and Zoning Administrator and after approval the fence shall be constructed around each well site.

(5) All electrical boxes shall be locked. Each electrical disconnect shall be located outside of the fenced area.

(6) Entrances and driving surfaces to well sites shall be paved with an all weather surface if the access point is from a paved street. The City Engineer may recommend that the City Council approve a reduction in the total length of the required paving of the driving surface to the well site in special situations. Entrances and driving surfaces from unimproved streets or any reduction in paved driving surfaces recommended by the City Engineer and approved by the City Council shall be surfaced with limestone gravel, recycled asphalt or crushed concrete.

(7) Drainage from the site shall be controlled so it does not adversely effect adjoining property. Grading permits shall be obtained from the City Engineer to ensure that best management practices are used to control pollutants.

(8) A produced water discharge plan must be submitted to the City Engineer and approved prior to construction of the discharge system. If available, a copy of the approved State NPDES permit shall be submitted with the discharge plan. Water discharged from CBM well production shall be put to a secondary beneficial use where possible. Such uses might include wildlife habitat restoration or maintenance of water levels at McManamen Park, Fishing Lake or other sites, or irrigation or tree watering, or for aquifer recharge or potable supply as applicable. Water provided for such uses shall not be subject to any charge by the operator to the City. If discharged to the surface, water should not negatively impact any downstream user by decreasing channel capacity, pond storage capacity, or related storm water concerns. There shall be no surface discharge of water on the lease surface other than into storm or other drainage structures channels or existing natural drainages.

Water discharge shall not affect the level of shallow ground water in the area. Any direct discharge into a storm drain or other drainage structure, or channel or an existing natural drainage shall require the installation of piezometers to measure the level of shallow groundwater over time. The cost of installation and measurement shall be borne by the operator.

(9) All pipelines shall be buried and laid where approved by the City Engineer and should at any time in the future the location of same be desired by the City to be changed, the owner or operator of the pipeline shall change the location thereof as approved by the City Engineer at the applicant's expense. All pipelines shall be installed in dedicated and recorded easements. Separate private easements are preferred and shall be full general utility easements. Existing rights of way and public easements will generally not be available and any permitted use of public easements and rights of way will be subject to relocation of any facilities that conflict with future improvements, at the expense of the mineral developer or pipeline owner. Each project should contain one overall "plan" sheet that identifies all easements obtained, indicating book and page of filing.

(10) All motors utilized in the installation shall be electric in order to provide minimum amount of noise. Ancillary support equipment, including compressors and all other improvements other than the wellhead, blowers

(Revised April 2001)

attached to the wellhead and electrical service shall not be located within the City.

(11) Extraordinary precautions shall be taken to prevent spillage of oil or flaring of gas. The City Council may from time to time direct by ordinance or otherwise, such precautions as it may deem reasonable and prudent.

(12) A hazard mitigation/fire safety plan shall be prepared by the applicant and approved by the CCFD. A responsible party will be identified for contact by emergency services (law enforcement, fire department, etc.). The operator of any oil and gas well shall give a map to the Fire Department showing the location of each well and a suggested route that can be used to access that well in the case of an emergency.

(13) All methane produced at the well head shall be scented to help identify leaks. (Ord. No. 629, 3, 8-18-70; Ord. 3148, 4-2-2001)

12-4. Providing Geological Information to the City; Ownership of Nonproducing Hole.

As a further condition to the issuance of a permit, the applicant must agree to provide all geological information developed by it in the drilling of the well to the City Council and in the event the well should not be a commercial producer, the hole shall be turned over to the City if desired by the Council.

The City desires to complete a geologic investigation and study of the potential impacts of CBM development on our community. As part of this effort, each operator shall provide specific information to assist in this effort. Since a reputable geologist has indicated that each CBM well can have an affect on an area with a radius of one-half mile, each operator shall assist in the monitoring process as follows for the 1/2 mile radius for each well applied for by installing up to 6 soil gas monitoring sites for each well drilled, according to the direction of the City Engineer, and conduct and submit annual monitoring and reporting. Soil gas monitoring sites to be

installed to specifications provided by the City. (Ord. No. 629, 4, 8-18-70; Ord. 3148, 4-2-2001)

12-5. Compensation for Surface Damages to City Land.

In the event the proposed well site is located upon lands which the City owns, no permit shall be granted until the City shall agree as to adequate and proper compensation for surface damages. The City may in any event require an assignment to the City of a reasonable royalty interest in each well on City owned land in which the City has an interest in the mineral estate for which a permit may be granted. (Ord. No. 629, 7, 8-18-70; Ord. 3148, 4-2-2001)

12-6. Issuance.

The City Council shall grant a permit to commence drilling operation as above provided only in the event that it shall be satisfied from the information submitted that no hazard to the general public exists, and that no undue nuisance will be created by the applicant. (Ord. No. 629, 5, 8-18-70; Ord. 3148, 4-2-2001)