

CHAPTER 14

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CHAPTER 14

OIL AND GAS DRILLING

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Article 1. General Provisions

Section 14-1. Definitions.

The following terms used in this Chapter are hereby defined to have the meanings set out below:

1. Circulating Mud Pit. The term "circulating mud pit", as used herein, is hereby defined to mean the working pit from which drilling muds are continuously recirculated during the drilling process into and from the drilling hole, for the purpose of flushing cuttings from the drill bit, and as a lubricant to reduce torque, drag, heat, friction and differential sticking during the drilling process.

2. Disposal Well. The term "disposal well", as used herein, is hereby defined to mean any well drilled or actually used for injection of salt water or other substances into the earth at a point other or different than the point of extraction or production thereof from the earth.

3. Mud. The term "mud", as used herein, is hereby defined to mean the drilling fluid used and recirculated through the drilling hole as a lubricant to reduce torque, drag, heat, friction and differential sticking and to flush drill bit cuttings from the hold during the drilling process.

4. Mud Program. The term "mud program", as used herein, is hereby defined to mean the planned usage of drilling fluid lubricants, specifying with particularity the type, name and physical and chemical composition and characteristics of all ingredients thereof, together with such laboratory and other technical data as may be necessary or required by the Municipal Building Inspector to evaluate the same as pollutive, deleterious or otherwise.

5. Oil or Gas Well. The term "oil or gas well", as used herein, is hereby defined to mean and include any well drilled, operated or maintained for the production of oil gas, casinghead gas or any of them or their by-products or derivatives.

6. Reserve Pit. The term "reserve pit", as used herein, is hereby defined to mean any excavation, pit or receptacle designed or actually used to receive, store or hold rocks, drill bit cuttings, shale, sand, fresh water or drilling mud which contains no salt water, oil, oil derivatives, caustics, acids or other deleterious substances harmful to soil, vegetation or injurious to animal or human life.

7. Slush Pit. The term "slush pit", as used herein, is hereby defined to mean any excavation, pit or receptacle designed or actually used to receive, store or hold waste oil, oil derivatives, sand, salt water or other waste products or deleterious substances produced or used in the drilling, swabbing, cleaning or re-working of any oil, gas or disposal well.

Section 14-2. Municipal Drilling Permit Required; Application Process.

1. Subsequent to the effective date of this Code of Ordinances, it shall be unlawful and an offense for any person or corporation to drill, maintain or operate an oil, gas or disposal well within the corporate limits of the City of Cache, Oklahoma, without first having procured a Municipal Drilling Permit to do so, as hereinafter provided, and without being in compliance with all applicable Ordinances of the City of Cache, Oklahoma.

2. Every person hereafter desiring to drill, maintain or operate an oil, gas or disposal well in the City of Cache, Oklahoma, shall file application therefor, in writing, in the form required by the City Clerk, signed by the applicant or an agent authorized to sign the same.

3. Such application shall specify the Quarter Section, Township, Range and the location within the Quarter Section thereof so as to identify said well location within a particular ten (10) acre tract.

4. All equipment to be utilized in the drilling, operation or maintenance of said well shall be specified in said application with particularity and the mud program, as that term is defined herein, shall be specified and attached in writing thereto, for approval by the City Clerk.

Section 14-3. Permit Fees; Insurance.

1. At the time of filing such application above required, such applicant shall pay to the City Clerk the sum of six hundred and fifty dollars (\$650.00) to defray the expenses of inspecting the specified location and drilling operations and, if completed as a producing well, in payment of the annual fee for the initial year of production and operation of said well.

2. Such applicant shall also, at said time, file with the City Clerk a copy of a policy of insurance issued by some corporate insurer licensed to do business within Oklahoma, evidencing current insurance of the owner, driller, agents and employees, conditioned for the payment of all damages due to injury to persons or damage to property resulting from the drilling, operation or maintenance of the proposed well or any structure, machinery, equipment, pipelines, or appurtenances used in connection therewith, in an amount not less than two hundred and fifty thousand dollars (\$250,000.00).

3. Such policy shall contain no exclusion from coverage of contamination of pollution of surface or subterranean streams, watercourses, lakes or public or private water supplies.

Section 14-4. Existing Wells.

Owners or operators of oil, gas or disposal wells heretofore drilled and completed within the City of Cache, Oklahoma, shall not be required to procure the initial Municipal Drilling Permit hereinabove provided; however, it shall be incumbent upon such owners and operators to furnish evidence of liability insurance coverage and post the bond for the restoration of the land and plugging of the well upon its abandonment in the form and amount above required for issuance of a Municipal Drilling Permit at the time of application for the Annual Renewal Permit as hereinafter provided, or within sixty (60) days after the effective date hereof, whichever shall first occur, as a condition of continuing the operation and maintenance of any well heretofore drilled and prior to commencing any swabbing, cleaning or reworking operations of all oil, gas and disposal wells heretofore or hereinafter drilled within the City of Cache, Oklahoma. All existing wells shall also comply with all of the following provisions of this Chapter.

Section 14-5. Zoning.

Oil, gas or disposal wells shall be located only in those Zoning Districts which permit such use as provided in the adopted Zoning Ordinance of the City of Cache, Oklahoma.

Section 14-6. Annual Renewal Permits.

Annual Renewal Permits for the operation, maintenance, cleaning, swabbing and re-working of all completed and operating oil, gas and disposal wells, now existing or hereafter drilled, are hereby required, and shall be issued upon payment of one hundred dollars (\$100.00) per year and upon the filing of copies of liability insurance policies and the restoration and plugging bond in the form and amount required for the issuance of an initial Drilling Permit and upon proof of renewal of the restoration and plugging bond for the ensuing year. Such annual fee shall be paid, proof of insurance coverage filed, and renewal of said restoration and plugging bond made on the anniversary date of the initial Drilling Permit, or if no such Permit was required or obtained, within sixty (60) days after the effective date hereof.

Sections 14-7 through 14-19. (Reserved for future use.)

Article 2. Regulatory Provisions

Section 14-20. Regulations.

It shall be unlawful and an offense for any person or corporation to do or permit any of the following, and the same are hereby declared to be a public nuisance:

1. Earthen slush pits, shall not be constructed, maintained or used by any person or corporation at any location within the City of Cache, Oklahoma. All waste oil, salt water, liquid with oil content, gasoline or other waste produced in connection with the drilling, testing, cleaning, swabbing, re-working or operating of any oil, gas or disposal well shall be captured and retained in steel tanks or vessels and transported from the premises to a disposal facility. In no event shall any of such substances be permitted to escape from the premises owned, leased or controlled by the persons carrying on such operations by seepage, overflow or otherwise, nor flow across the surface of the ground, or upon any public way, into any storm or sanitary sewer, drainage ditch, upon any gutter or paving or into any gully, stream or tributary within the City of Cache, Oklahoma. Plastic liners may be required, at the discretion of a majority of the City Council.

2. Earthen reserve pits, as herein defined, which contain no salt water, oil, oil derivatives, caustics, acids or other deleterious substances harmful to soil, vegetation or injurious to animal or human life, shall be allowed to be constructed or used in connection with the drilling, swabbing, cleaning out or re-working of oil or gas wells within the City of Cache, Oklahoma, and the contents thereof need not be transported from the premises to a disposal facility, if the same are leveled and the surface of the ground restored as nearly as possible to its original condition within ninety (90) days after completion of said drilling, swabbing, cleanout or re-working operations.

3. An earthen retaining wall of adequate size for the terrain shall be constructed on the low side of all well sites situated within the City of Cache, Oklahoma, on sloping or unlevel ground. The top of the retaining wall shall be at least as high as the top of the christmas tree or other wellhead connections on any completed well, or at least as high as the ground at the point where surface casing is set in the well when drilling.

4. Storage tanks or other types of tanks containing flammable substances used in connection with any oil, gas or disposal well within the City of Cache, Oklahoma, shall have earthen embankments constructed around them of sufficient size and height to be able to adequately contain one and one-half (1 1/2) times the volume of such tanks in the event of a rupture thereof at the floor of such tank. No drain plugs, openings or siphons shall be placed in the walls or dikes which will permit the escape of any liquids through the same. In no event shall any such tank be located nearer than one hundred (100) feet to a dwelling or business structure, street or highway within the City of Cache, Oklahoma.

5. No steam, gasoline, natural gas, diesel or other internal combustion engine of any kind shall be operated in conjunction with the drilling or operation of an oil or gas well within two hundred and fifty (250) feet of any dwelling or business structure within the City of Cache, Oklahoma.

6. No oil, gas or disposal well shall be drilled, operated or maintained, nor shall any operations in connection therewith be carried on or conducted, within two hundred and fifty (250) feet of any church, school or hospital building within the City of Cache, Oklahoma.

7. Premises upon which any oil, gas or disposal wells are drilled, operated or maintained shall be kept free of all accumulations of rubbish, litter, unused equipment or materials, excess rotary mud, salt water, waste oil or oil by-products and other waste, insofar as the same may be reasonably done in the conduct of operations covered by this Chapter.

8. Approved equipment, standard devices and ordinary methods such as are commonly known and used in the oil and gas drilling and producing industry for the safety and protection of property from damage due to drilling and operating activities, shall be used at all locations within the City of Cache, Oklahoma. Failure on the part of any owner, driller or operator to utilize such equipment, devices or methods shall be the basis for injunction thereof by the City of Cache, Oklahoma, or any person affected thereby, in addition to the penalties therefor otherwise provided therein.

9. At least seven hundred and fifty (750) feet of surface casing shall be set in each well after notifications of intention to do so have been given the Oklahoma Corporation Commission, whose representative shall be entitled to inspect the installation thereof and direct the type and amount of cement to be used in cementing the same in the hole.

10. All drilling wells shall be equipped with a mastergate, or its equivalent, adequate blowout preventers, flow lines and valves commensurate with the working pressures involved.

11. That part of the drilling rig adjacent to or facing any lake and situated within one-half (1/2) mile of the normal elevation thereof shall be covered with canvas, sheet metal or other suitable material at all times during drilling operations.

12. Production casing of a size with not less than a four and one-half (4 1/2) inch outside diameter, in good condition, shall be set no higher than the top of the producing formation and cemented with a sufficient amount of cement to obtain a maximum of five hundred (500) feet of annular fillup above the casing. All of such production casing shall be tested by pressure methods for either drilling the cement plug or perforating, if the cement is not drilled.

13. Upon completion of any flowing well, the wellhead equipment shall have, on the tubing, at least one (1) master-valve plus a flow valve, and a valve on the casing annulus. All wells shall be equipped with flow tubing of a size at least two (2) inches inside diameter extending not less than fifty (50) feet from the top of the lowest producing formation.

14. All disposal wells shall be equipped with at least two (2) inch inside diameter tubing set on a packer and a pressure gauge shall be installed on the casing annulus at all times.

Sections 14-21 through 14-22. (Reserved for future use.)

Article 3. Penalty

Section 14-50. Penalty.

Any person, firm or corporation who violates any of the provisions of this Chapter shall, upon conviction, be fined in a sum not to exceed the limits established in Section 11-50, Article 3, Chapter 11 of this Code of Ordinances. Each day such violation is committed or continues to exist shall constitute a separate offense and be punishable as such. In addition, violation of any of the provisions hereof declared to be a public nuisance shall be a basis for injunction at the suit of the City of Cache, Oklahoma, or at the suit of any person, firm or corporation adversely affected thereby.