

AN ORDINANCE TO PROTECT THE HEALTH, SAFETY, AND WELFARE OF THE CITIZENS OF PAYNE SPRINGS, TEXAS BY REGULATING THE DRILLING OF OIL AND GAS WELLS, MINERAL EXPLORATION OPERATIONS, AND THE EXCAVATION OR EXTRACTION OF MINERALS FROM THE GROUND WITHIN THE CITY LIMITS, ESTABLISHING A PERMIT REQUIREMENT AND PROVIDING FOR A PENALTY FOR VIOLATION.

BE IT ORDAINED BY THE CITY COUNCIL OF PAYNE SPRINGS, TEXAS.

SECTION 1: The word "person" whenever used in this ordinance means and includes any natural person, corporation, association, partnership, receiver, trustee, guardian, executor, administrator and fiduciary or representative of any kind.

SECTION 2: PROHIBITED ACTS:

a. It shall be unlawful for any person to drill or commence operations to drill any well in search of oil or gas within the city limits of Payne Springs, Texas, or to work upon or assist in any way in the prosecution of such operations for drilling of any such well without a permit for the drilling, completion and operation of such well having first been issued by authority of Payne Springs City Council in accordance with the provisions, hereof.

b. It shall be unlawful for any person to explore or engage in any operations of any kind for exploration for oil and gas or any other mineral within the city limits of Payne Springs, Texas, without a permit for exploration having first been issued by authority of the Payne Springs City Council in accordance with the provisions, hereof.

c. It shall be unlawful for any person to excavate or commence excavation operations for the production of any kinds of minerals within the city limits of Payne Springs, Texas, without a permit for same having first been issued by Payne Springs City Council in accordance with the provisions, hereof.

SECTION 3: PERMIT ISSUANCE:

a. The "CITY COUNCIL" of Payne Springs, Texas, shall be the permit issuing authority hereunder in accordance with the following requirements:

1. Proposed locaton or site of operation.
2. Type of operations (drilling, excavation, proposed



depth, etc.)

3. Type of production sought.

4. A lay-out plat or map showing the proposed location of drilling or mine site along with equipment, holding tanks, lines, etc., proposed to be used in connection with such operation.

b. A fee of \$250.00 must be paid upon issuance of a permit hereunder for operations and a fee of \$100.00 for exploration.

c. A bond shall be filed upon issuance of a permit hereunder before the commencement of any operations in an amount to be determined by the issuing authority but not less than \$50,000.00. Such bond shall be executed by a reliable insurance company authorized to do business in the State of Texas, as surety, and with the permittee and successors or assigns of permittee as principal, running to the city, for the benefit of the city and all persons concerned. Such bond shall be conditioned that the permittee and successors or assigns of permittee will comply with the terms and conditions of this chapter in all operations. Such bond shall become effective on or before the date it is filed with the City Secretary and remain in force and effect for at least a period of six (6) months subsequent to the expiration of the term of the permit issued. In addition the bond will be conditioned that the permittee and successors or assigns of permittee will promptly restore the streets and sidewalks and other public property of the city, which may be disturbed or damaged in the operations, to their former condition, and that the permittee and successors or assigns of permittee will promptly clear all premises of all litter, trash, waste and other substances used, allowed or occurring in the drilling, mining or producing operations, and will, after abandonment, grade level and restore the property to the same surface condition, as nearly as possible, as existed when operations for the drilling of the well or mining operations were first commenced, and that the permittee and successors or assigns of permittee will indemnify and hold the

city harmless from any and all liability growing out of or attributable to the granting of the permit.

If at any time the City Council shall deem any permittee's or successors or assigns of permittees bond to be insufficient for any reason, it may require the permittee to file a new bond.

d. Permits may be withheld by the issuing authority, subject to appellate procedures established herein, upon the following grounds:

1. Proximity of proposed site to residences, hospitals, churches or business establishments.
2. If in judgment of issuing authority, operations of the type proposed in application for a permit would pose a general nuisance to the citizens of Payne Springs, Texas.
3. Traffic or fire hazards that may result from operations for which permit is applied.
4. The likelihood of irreparable damage being done by operations for which permit is applied to surrounding area.
5. The failure of applicant to produce a sufficient bond hereunder.

SECTION 4: APPLICATION FILING PROCEDURE

All applications for permits hereunder shall be filed with the City Secretary and submitted by the City Secretary to the City Council. The City Council shall act on such applications as follows:

1. A public hearing will be scheduled by the City Council giving at least ten (10) days and no more than twenty (20) days notice in a newspaper of local circulation.
2. The City Council shall conduct a public hearing on the application giving all citizens present at such hearing and the applicant or applicant's representatives a chance to testify or speak. Rules for the conduct of the hearing may be laid down at the outset of such hearing by the Mayor.
3. The applicant or applicant's representatives shall attend the public hearing provided for herein to respond to questions relating to the application.

SECTION 5: RIGHT OF ENTRY:

Representatives of the city shall have the right to enter upon the premises of any operations regulated hereby at reasonable times, for the purpose of insuring that this

ordinance is being complied with by the permittee and the successors or assigns of permittee.

SECTION 6: POLICE POWER EXERCISE:

This entire ordinance is enacted for the protection of the health, safety, and welfare of the citizens of Payne Springs, Texas.

SECTION 7: PENALTY FOR VIOLATION:

Any person violating any of the provisions of this ordinance shall be fined in an amount not less than Twenty Dollars (\$20.00) or more than One Thousand Dollars (\$1,000.00). Each day of violation shall be considered a separate offense hereof.

SECTION 8: SEVERANCE CLAUSE:

Each and every section and sub-section of this ordinance has been considered separately and passed on by the governing body of Payne Springs, Texas, and in the event any section or sub-section of this ordinance should be held invalid or unconstitutional through judicial action, the remainder of the ordinance shall not be invalidated and shall remain in effect.

PASSED AND APPROVED THIS 2 day of February,
1987.

Ray Walsh
MAYOR

Louise Byers
City Secretary
Attest