

CHAPTER 247

OIL AND GAS

24700. Use of Explosives.

No explosives shall be used in oil or gas production techniques such as fracturing, well stimulation, acid initiating, or to increase the bore hole without procuring a blasting permit from the director of public works. (Ord. 1699, Eff. 11/15/88)

24700.1 No well shall be shot as an open well without written permission of the director of public works. (Ord. 1699, Eff. 11/15/88)

24700.2 Prior to shooting a well as an open hole, safety precautions shall be approved by the director of public works. (Ord. 1699, Eff. 11/15/88)

24700.3 No well shall be shot until both the Jackson County Sheriff and the appropriate Fire Protection District have been notified. (Ord. 1699, Eff. 11/15/88)

24701. Screening.

Pump jacks and/or well heads and storage tanks for gas or wells shall be screened to the satisfaction of the director of public works, if located within five hundred (500) feet of an area used for residential purposes. Should residential construction take place within five hundred (500) feet of such installations after commencement of operation thereof, then, within thirty (30) days after commencement of such residential construction, the required screening shall be installed by the operator of the well. This time limit may be extended if there are circumstances beyond the control of the well operator. (Ord. 1699, Eff. 11/15/88)

24702. Fencing.

Fencing, adequate for safety purposes, shall be provided around the property as a whole or around each separate oil and gas well. (Ord. 1699, Eff. 11/15/88)

24703. Drilling.

24703.1 Interference with traffic. Drilling of oil and gas wells shall be performed so as to cause no obstruction of any public thoroughfare or permanent access easement. (Ord. 1699, Eff. 11/15/88)

24703.2 Length of drilling. Drilling operations shall not exceed thirty (30) days at any one (1) gas or oil well. Within ten (10) days of the completion of such operation, all drilling and accessory equipment shall be removed from the site. (Ord. 1699, Eff. 11/15/88)

24703.3 Hours of operation. Drilling operations shall not take place between the hours of 7:00 P.M. and 7:00 A.M. on any gas or oil well located within five hundred

(500) feet of an area used for residential purposes. (Ord. 1699, Eff. 11/15/88)

24703.4 Storage ponds, for commercial use. Open storage or sludge ponds, basins or sumps used for the storage of sludge, oil or other by-products of drilling or pumping operations shall be filled in, seeded and otherwise returned to a natural state upon abandonment of the gas or oil well or commencement of production, whichever is earliest. (Ord. 1699, Eff. 11/15/88)

24703.5 Storage ponds, for residential use. No storage ponds are permitted when the gas well is for residential use. (Ord. 1699, Eff. 11/15/88)

24704. Storage tanks, for Commercial Use.

24704.1 Distance from property line. Storage tanks for oil and gas wells shall not be placed within three hundred (300) feet of any property line. (Ord. 1699, Eff. 11/15/88)

24704.2 Storage dikes. Dikes shall be provided around all storage tanks adequate to hold seventy-five (75) percent of the maximum capacity of the tanks located within such dike. (Ord. 1699, Eff. 11/15/88)

24704.3 Tank maintenance. All storage tanks shall be kept free from corrosion and in a good state of repair and appearance at all times. (Ord. 1699, Eff. 11/15/88)

24704.4 Pipelines. Pipelines from pump jacks and well heads to storage tanks shall be made of plastic or some other corrosive-resistant material. Pipeline shall be buried at least forty-two (42) inches deep. (Ord. 1699, Eff. 11/15/88)

24704.5 Security. Storage tanks shall be securely locked when personnel of the owner or operator are not present. (Ord. 1699, Eff. 11/15/88)

24704.6 Storage tanks, for residential use. No storage tanks are permitted when the gas well is for residential use. (Ord. 1699, Eff. 11/15/88)

24705. Pump Jacks and Well Heads.

24705.1 Pumping motors. Only electric motors shall be permitted to operate the pumping equipment of oil and gas wells when such equipment is located within three hundred (300) feet of an area used for residential purposes. (Ord. 1699, Eff. 11/15/88)

24705.2 Electrical lines. Electrical lines for oil and gas wells shall be an approved underground conduit or cable and shall be buried at least twenty-four (24) inches deep. (Ord. 1699, Eff. 11/15/88)

24705.3 Excess gas. Excess natural gas shall be adequately vented from a vertical pipe rising from the surface of the ground or shall be used in the operation of the pump motor or distributed commercially. (Ord. 1699, Eff. 11/15/88)

24705.4 Good state of repair. All pump jacks and well heads for oil and gas wells shall be kept free from corrosion and in a good state of repair and appearance at all times. (Ord. 1699, Eff. 11/15/88)

24706. Spillage.

Any spillage at an oil or gas well shall be removed immediately and, in addition, reported to the director of public works. (Ord. 1699, Eff. 11/15/88)

24707. Drainage.

The drilling and operating of oil and gas wells and the construction of any access roads shall not alter the existing drainage pattern so that surrounding property is adversely affected. (Ord. 1699, Eff. 11/15/88)

24708. Storage of Wastes.

All wastes generated from drilling of oil or gas wells or pumping shall be contained and not permitted to flow off site. Salt water may be returned to a salt water strata under conditions imposed by the oil and gas council of the state. (Ord. 1699, Eff. 11/15/88)

24709. Flood Damage Prevention.

24709.1 Wells. Oil and gas wells shall not be located in an area designated as a floodway district on the flood insurance rate map (FIRM) and identified in the flood insurance study provided by the Federal Insurance Administration. Drilling or pumping shall be allowed in the district designated as the floodway fringe on the FIRM provided that the pump jack has been elevated above the regulatory flood elevation. The elevation of the pump jack shall be certified by a licensed land surveyor or engineer. (Ord. 1699, Eff. 11/15/88)

24709.2 Accessory storage. Accessory storage tanks and ponds shall not be located in the floodway or floodway fringe as designated on the FIRM. (Ord. 1699, Eff. 11/15/88)

24710. Correction of Violations.

24710.1 Whenever the director of public works finds that a default has occurred in the performance of any requirement imposed by this Code or Chapter, or of any condition imposed by a permit or special use permit, written notice shall be given to the applicant and, if a surety bond has been furnished pursuant to Ordinance 24738, to the surety on the bond. Such notice shall specify the work to be done, the estimated cost thereof and the period of time deemed by the director of public works to be reasonably necessary for the completion of such work. After receipt of such

notice, the applicant or surety shall either cause or require work to be performed within the time therein specified, or failing therein, shall pay over to the county the estimated cost of doing the work as set forth in the notice. Upon receipt of such monies, the director of public works shall proceed in such manner as is deemed expedient to cause the required work to be performed and completed, but no liability shall be incurred therein other than for the expenditure of such sum in hand. (Ord. 1699, Eff. 11/15/88)

24710.2 If the applicant or surety neither cause the required work to be performed nor deposit the estimated cost of doing the work with the county, the director of public works shall cause the well to be abandoned. The costs of abandonment shall be paid from the cash furnished by the applicant or, if a surety bond has been furnished pursuant to Ordinance 24738, by collection on the bond. If the owner of the property does not allow the county or its agents to enter upon the property for the purpose of causing the well to be abandoned, the county shall cause appropriate legal proceedings to be initiated for such purpose in a court of competent jurisdiction. (Ord. 1699, Eff. 11/15/88)

24711. - 24729. Reserved.

24730. Drilling Permit Required.

It shall be unlawful for any person to drill, operate or maintain an oil or gas well or any appurtenance thereto within the county limits unless a drilling permit is issued therefor by the county after the submission of a written application on forms provided by the department of public works. (Ord. 1699, Eff. 11/15/88)

24731. Land Under More Than One Ownership.

Oil and gas well drilling permits may be issued for tracts of land which are under more than one (1) ownership, provided all the provisions of this chapter are met. (Ord. 1699, Eff. 11/15/88)

24732. More Than One Well On One Tract of Land.

Drilling permits may be issued to drill two (2) or more wells on any given tract of land provided that state permits have been issued. If additional wells are proposed which are not indicated on the approved drilling permit application form, another permit application shall be made and another application fee shall be submitted. Drilling permits shall be issued only for those wells for which state permits have been issued. (Ord. 1699, Eff. 11/15/88)

24733. Contents of Application.

The application for a drilling permit shall contain the name, address and telephone number of the property owner or owners, the well owner and the drilling operator; the general location of the property on which the well is to be located; an affidavit under oath from the property owner consenting to the well unless the property owner joins in the application; and a written notice of compliance from the state oil and gas council. Approval of the

application shall be subject to grant of a special use permit by the Board of Zoning Adjustment. (Ord. 1699, Eff. 11/15/88)

24734. Fee.

Application for an oil and gas drilling permit shall be accompanied by a fee of one hundred dollars (\$100.00). (Ord. 1699, Eff. 11/15/88)

24735. Location Plat Required.

When making application for a drilling permit, the applicant shall furnish to the department of public works three (3) copies of the location plat provided to the state oil and gas council.

In addition to the information required by such council, the following information shall be supplied on the plat: (Ord. 1699, Eff. 11/15/88)

24735.1 The location of all buildings and structures on the property, and the distance between buildings and proposed well sites; (Ord. 1699, Eff. 11/15/88)

24735.2 A landscaping and screening plan as required by this chapter. (Ord. 1699, Eff. 11/15/88)

24736. - Reserved.

24737. Insurance Required, for Commercial Use.

24737.1 At the time of application for a drilling permit as required by this article, the applicant shall file with the county department of public works a copy of a certificate of insurance issued by an insurance company currently licensed to do business in the state and maintaining a Best's policyholder rating of A or better and a Best's financial rating of Class VI or better. The certificate shall evidence current insurance of the applicant conditioned for the payment of all claims stemming from injuries to persons or damages to property arising out of any act or omission of the applicant, its agents or employees, resulting from the drilling or production of the proposed well or any structure, machinery, equipment, pipeline or appurtenances used therewith, in a minimum amount of five million dollars (\$5,000,000.00) of comprehensive general liability and one million dollars (\$1,000,000.00) of automobile liability. (Ord. 1699, Eff. 11/15/88)

24737.2 The policies and certificate shall name the county as an additional insured and shall provide that thirty (30) days' advance written notice be filed with the director of public works prior to any change in or cancellation of the policies of insurance. The general liability insurance shall be written in comprehensive form and shall include coverage for premises-operations, explosion and collapse hazard, underground hazard, products/completed operations hazard, contractual insurance, broad form property damage, independent contractors, personal injury, underground equipment and resources, blowout and cratering hazard, and contamination or pollution hazard. The automobile liability shall be written in comprehensive form and

shall include coverage for owned, hired and nonowned vehicles. (Ord. 1699, Eff. 11/15/88)

24737.3 The permittee, upon receipt of notice of any claim in connection with any of his operations, shall promptly notify the director of public works with full details thereof including an estimate of the amount of loss on liability, whether or not such liability came about as the result of operations within the county. If, after notice of loss, the director of public works shall determine that the permittee's aggregate umbrella or primary coverage has been impaired or reduced to such an extent that the director of public works shall determine such limits inadequate for the balance of the drilling permit term, the permittee shall upon the notice from the county promptly reinstate the original limits of liability required by this section and shall furnish evidence thereof to the director of public works in a form satisfactory to him. (Ord. 1699, Eff. 11/15/88)

24737.4 Workers' compensation and employers' liability insurance shall be provided to protect the permittee against all claims under applicable workers' compensation laws. The permittee shall also be protected against claims for injury, disease, or death of employees which, for any reason, may not fall within the provisions of the worker's compensation law. The policy shall include the broad form all states endorsement. Liability limits shall not be less than the following: Workers' compensation statutory employers' liability: One hundred thousand dollars (\$100,000.00) each accident. (Ord. 1699, Eff. 11/15/88)

24737.5 Insurance required, for residential use. This section pertains to any gas well to be used solely for residential use by a single owner. The applicant must provide a Homeowner's Insurance policy with a rider attached that would cover any damages resulting from an accident with the gas well, to the satisfaction of the director of public works. (Ord. 1699, Eff. 11/15/88)

24738. Bond.

24738.1 Required. At the time of application for any drilling permit required by this chapter, the applicant shall furnish to the county cash or a corporate surety bond for each well or each lease as set forth in this section. Any bond shall be executed by the applicant as principal and by a surety company as surety and conditioned that the principal shall faithfully comply with all applicable provisions of this Code and all regulations of the state. Any surety company executing a bond under this section shall be authorized to do business within the state and shall be included in the current federal register listing of acceptable sureties on federal bonds. The bond shall secure the county against all costs, charges and expenses incurred by it by reason of the failure of the principal to fully comply with the applicable provisions of this Code or regulations of the state. The bond shall include the correct name or number of the well and such other information as may be necessary to readily identify such well. (Ord. 1699, Eff. 11/15/88)

24738.2 Amounts required for commercial use. The cash or surety bond will be required in the following amounts during the entire operation of the well and until the well is abandoned and properly plugged: (Ord. 1699, Eff. 11/15/88)

Depth of Well (Feet)		Bond Required	
<u>From</u>	<u>To</u>	<u>Single Well</u>	<u>Blanket Bond For Wells In Lease</u>
0	800	\$2,000.00	\$20,000.00
800	1,200	3,000.00	30,000.00
1,200 and over		4,000.00	40,000.00

24738.3 Amounts required for residential use. The cash or surety bond will be required in the amount of \$1000 during the entire operation of the well and until the well is abandoned or properly plugged. (Ord. 1699, Eff. 11/15/88)

24738.4 Cancellation.

a. The principal or surety may cancel the bond provided pursuant to this section, effective on any anniversary date of such bond, by giving written notice of intent to cancel to the director of public works and to the other party (principal or surety) not less than one hundred twenty (120) days prior to such anniversary date.

b. If a cancellation notice pursuant to paragraph (a) above is given, the principal shall, not less than sixty (60) days prior to the anniversary date of the bond, furnish a substitute surety bond or cash complying with the provisions of this section to the county or, alternatively, the principal shall not less than sixty (60) days prior to the anniversary date of the bond abandon the well and comply with all requirements of this Code and all regulations of the state relating to abandonment.

c. Failure on the part of the principal to satisfy the requirements of paragraph (b) above shall constitute a default, and the director of public works shall give notice of default in the manner provided in ordinance 24710. (Ord. 1699, Eff. 11/15/88)

24739. Issuance.

Upon application for a drilling permit as required by this article, the director of public works or his representative shall review the application for conformance with the provisions of this chapter. If the application is in compliance with this chapter, and all the rules and regulations of the state and the county, the director of public works shall issue the permit for the area or tract described in such permit, following adoption of an ordinance granting a special use permit for the operation. (Ord. 1699, Eff. 11/15/88)

24740. Term.

24740.1 A drilling permit to drill, maintain or operate an oil or gas well shall be in effect for the life of the well or the term of a special use permit, whichever first occurs, subject to revocation for noncompliance with the provisions of this chapter. (Ord. 1699, Eff. 11/15/88)

24740.2 A drilling permit issued pursuant to this article to drill a well shall expire if operations to drill the well are not commenced within one hundred eighty (180) days after the date of approval of the permit, unless state approved extensions are obtained. (Ord. 1699, Eff. 11/15/88)

24740.3 When a gas or oil well is abandoned and plugged in accordance with state regulations, the person who obtained the drilling permit or the property owner on whose land the well has been drilled is responsible for returning the site of the abandoned well to its natural state within sixty (60) days after the well has been plugged. (Ord. 1699, Eff. 11/15/88)

24741. Transfer.

Drilling permits issued by the department of public works pursuant to this article are not transferable to any other person or to any other location. A valid drilling permit shall be posted on the premises of operation at all times. (Ord. 1699, Eff. 11/15/88)

24742. Expiration.

In addition to the expiration provisions contained in this article for drilling permits issued pursuant to this article, such permits shall expire upon revocation of any state permit issued for such operation. (Ord. 1699, Eff. 11/15/88)