

AN ORDINANCE ADOPTING A NEW CHAPTER, "GAS DRILLING AND PRODUCTION" TO BE ADDED TO THE CODE OF ORDINANCES OF THE CITY OF BEDFORD, TEXAS; PROVIDING FOR A FINE OF UP TO \$2,000 FOR EACH VIOLATION OF THIS ORDINANCE; PROVIDING THIS ORDINANCE BE CUMULATIVE; PROVIDING FOR SEVERABILITY, GOVERNMENTAL IMMUNITY, INJUNCTIONS, PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, there has been increased interest in gas drilling and production within the City of Bedford; and

WHEREAS, the City of Bedford currently requires a Specific Use Permit for gas drilling and production within any zoning district, but does not have comprehensive regulations concerning drilling and production of gas within the city limits; and

WHEREAS, the City Council finds that the drilling and production of gas within the city limits on property without comprehensive regulations could affect the health, safety and welfare of its citizens; and

WHEREAS, the City Council deems it necessary to enact comprehensive regulations for the drilling and production of gas on property within the city limits.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BEDFORD, TEXAS:

I.

That a new Chapter ____, "Gas Drilling and Production" be added to the Code of Ordinances of the City of Bedford, Texas, so that hereafter said Chapter ____ shall be and read as follows:

ARTICLE I

GENERAL PROVISIONS

Section 40 – 1 - 1 Short Title

This Chapter shall be known and cited as the Gas Drilling and Production Chapter.

Section 40 -1 - 2 Purpose

The exploration, development, and production of gas in the City is an activity which necessitates reasonable regulation to ensure that all property owners, mineral and otherwise, have the right to peaceably enjoy their property and its benefits and revenues. It is hereby declared to be the purpose of this Ordinance to establish reasonable and uniform limitations, safeguards and regulations for present and future operations on private property related to the exploring, drilling, developing, producing, transporting and storing of gas and other substances produced in

association with gas within the City to protect the health, safety and general welfare of the public; minimize the potential impact to private property and mineral rights owners, protect the quality of the environment and encourage the orderly production of available mineral resources.

To the extent that any provision of this Ordinance might be inconsistent or in conflict with the specific provisions of any other Ordinance of the City of Bedford, this Ordinance shall control with regard to the conflict.

ARTICLE II

DEFINITIONS

Section 2.01 Definitions

All technical industry words or phrases related to the drilling and production of gas wells not specifically defined in this Ordinance shall have the meanings customarily attributable thereto by prudent and reasonable gas industry Operators. The following words, terms and phrases, when used in this Ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

“Abandonment” means “abandonment” as defined by the Texas Railroad Commission and includes the plugging of the well and the restoration of any well site as required by this Ordinance.

“Affiliate” means any individual, partnership, association, joint stock company, limited liability company, trust, corporation or other person or entity who owns or controls, or is owned or controlled by, or is under common ownership or control with, the entity in question.

“Blowout Preventer” means a mechanical, hydraulic, pneumatic or other device or combination of such devices secured to the top of a well casing, including valves, fittings and control mechanisms connected therewith, which can be closed around the drill pipe, or other tubular goods which completely closes the top of the casing and are designed for preventing blowouts.

“Building” means any structure which is built for the support, shelter, or enclosure or partial enclosure of persons, animals, chattels, equipment or movable property of any kind including pools.

“Building Official” is the officer or other designated authority charged with administration and enforcement of this Chapter, or the Building Official’s duly authorized representative.

“Cathodic Protection” means an electrochemical corrosion control technique accomplished by applying a direct current to the structure that causes the structure potential to change from the corrosion potential to a protective potential in the immunity region. The required cathodic protection current is supplied by sacrificial anode materials or by an impressed current system.

“Church” means a facility or area for people to gather together for public worship, religious training, or other religious activities including a temple, mosque, synagogue, convent, monastery or other structure, together with its accessory structures, including a parsonage or rectory. This use does not include home meetings or other religious activities conducted in a privately occupied residence.

“City” means the City of Bedford.

“City Code” means the Code of the City.

“City Attorney” means the City Attorney of the City.

“City Council” means the elected governing body for the City.

“City Manager” means the City Manager of the City.

“Closed Loop System” means a series of tanks including filters, separators and shakers on the discharge side of the drilling process that contains by-products of drilling such as cuttings and earthen materials to contain the by-products and recycle useable materials for reuse in the drilling process.”

“Company” means the company authorized by an Agreement to install and maintain gas pipelines within the City’s Public Right-of-Way.”

“Completion of Drilling, Re-drilling and Re-working” means the date the work is completed for the drilling, re-drilling, flowback or re-working operations and the crew is released by completing their work or contract or by their employer.

“Compressor” means a device or facility that raises the pressure of natural gas and/or by products. Compressors are any devices that create a pressure differential to move or compress a vapor or a gas. Any such device used alone or in series to adequately compress a gas is considered a compressor.

“Compressor Station” means a facility or location that contains a compressor or compressors to facilitate the movement of natural gas and/or its byproducts through a pipeline.

“Customer” means any Person located within or conducting business in whole or in part within the City.

“Day” means a calendar day.

“Derrick” means any portable framework, tower, mast and/or structure which is required or used in connection with drilling or re-working a well for the production of gas.

“Drilling” means digging or boring a new well for the purpose of exploring for, developing or producing gas or other hydrocarbons, or for the purpose of injecting gas, water or any other fluid or substance into the earth.

“Drilling Equipment” means the derrick, together with all parts of and appurtenances to such structure, every piece of apparatus, machinery or equipment used or erected or maintained for use in connection with drilling.

“Drill site” means the immediate area used during the drilling or re-working of a well or wells located there and subsequent life of a well or wells or any associated operation.

“Emergency Response Plan” means a plan that is put in place to deal with emergency situations that may occur at the site during all stages of the drilling and production process.

“Exploration” means geologic or geophysical activities, including seismic surveys, related to the search for gas or other subsurface hydrocarbons.

“Fire Department” means the Fire Department of the City.

“Fire Marshal” is the officer or other designated authority charged with fire prevention and fire investigations, or the Fire Marshal's duly authorized representative.

“Flaring” means to burn off gas during the flow back stage. The process includes a series of secured piping to facilitate the flow of gas and a combustion chamber to ignite the gas.

“Flow Back Operations” includes work over and other means necessary to expel water from the drilling hole in order to facilitate the production of gas.

“Frac Tank” means a man made water storage tank designed using earthen berms to contain water and that are designed in accordance with this ordinance.

“Fracturing” means the injecting of a fluid into a well to cause pressure that “cracks” or opens up fractures already present in the formation.

“Gas” means any fluid, either combustible or noncombustible, which is produced in a natural state from the earth and which maintains a gaseous or rarefied state at standard temperature and pressure conditions and/or the gaseous components or vapors occurring in or derived from petroleum or natural gas.

“Gas Monitor” means an a device approved by the City that monitors the air for specific gases and will sound an alarm and/or transmit a signal to an off site monitoring facility when specific gases are detected in the air.

“Gas well” means any well drilled, to be drilled, or used for the intended or actual production of natural gas.

“Hospital” means a facility or area for providing health services primarily for human in-patient medical or surgical care for the sick or injured and including related facilities such as laboratories, out-patient departments, training facilities, central services facilities and staff offices that are an integral part of the facilities.

“Operation-site” means the area used for development and production and all operational activities associated with gas after drilling activities are complete.

“Operator” means, for each well, the person listed on the appropriate Texas Railroad Commission forms for a gas well that is, or will be, actually in charge and in control of drilling, maintaining, operating, pumping or controlling any well, including, without limitation, a unit Operator. If the Operator, as herein defined, is not the lessee under a gas lease of any premises affected by the provisions of this Ordinance, then such lessee shall also be deemed to be an Operator. In the event that there is no gas lease relating to any premises affected by this Ordinance, the owner of the fee mineral estate in the premises shall be deemed an Operator.

“Permit” means any written license granted by the City for the exploration, development, and production of gas wells issued pursuant to the rules and regulations of this Chapter.

“Person” means an individual, person, firm, partnership, co-partnership, affiliate, corporation, society, company, association, joint stock association, or body politic, and includes a trustee, receiver, assignee, administrator, executor, guardian, or other representative; and shall include both singular and plural and the masculine shall include the feminine gender.

“Pipeline(s)” means the pipeline(s) and other facilities approved by the City that are installed by the Company in the Public Rights-of-Way in accordance with a Right-of-way Use Agreement.

“Production” means the period after the fracturing and flow back operations have been completed and natural gas has been run through a series of separators and tank batteries to metering devices and in to the pipeline.

“Public Building” means all buildings used or designed and intended to be used for the purpose of assembly of persons for such purposes as deliberation, entertainment, amusement or health care. Public buildings include, but are not limited to, theatres, assembly halls, auditoriums, funeral homes, gymnasiums, bowling alleys, courtrooms, jails, restaurants and hospitals.

“Public Parks, Playground, or Golf Course” means a facility or area for recreational, cultural or aesthetic use owned or operated by a public agency and available to the general public. This definition may include, but is not limited to, lawns, decorative planting, walkways, active and passive recreation areas, playgrounds, fountains, swimming pools, wooded areas, and water courses.

“Railroad Commission” means the Texas Railroad Commission.

“Re-drill” means re-completion of an existing well by deepening or sidetrack operations extending more than one hundred fifty (150) feet from the existing well bore.

“Residence” means a house, duplex, apartment, townhouse, condominium, mobile home or other building designed for [human](#) dwelling purposes, including those for which a building permit has been issued on the date the application for a Gas Well Permit is filed with the Building Official.

“Re-working” means re-completion or re-entry of an existing well within the existing bore hole or by deepening or sidetrack operations which do not extend more than one hundred fifty (150) feet from the existing well bore, or replacement of well liners or casings.

“Right-of-way” means any area of land within the City that is acquired by, dedicated to, or claimed by the City in fee simple, by easement, by prescriptive right or other interest and that is expressly or impliedly accepted or used in fact or by operation of law as a public roadway, sidewalk, alley, utility, drainage, or public access easement or used for the provision of governmental services or functions. The term includes the area on, below, and above the surface of the public right-of-way. The term applies regardless of whether the public right-of-way is paved or unpaved.

“Road Repair Agreement” means a written agreement provided by or approved by the City obligating the operator, at his own expense, to repair damage, excluding ordinary wear and tear, if any, including but not limited to, Public Rights-of-Ways, pursuant to and in accordance with a Right-of-Way Use Agreement.

“Right-of-Way Use Agreement” means the authorization issued to the Company to use the Public Rights-of-Ways for (a) the construction, installation, maintenance and repair of Company’s Pipeline; (b) the use of such Pipeline for the transportation of gas; and (c) any other directly related uses of the Public Rights-of-Ways pursuant to and in accordance with a Right-of-Way Use Agreement.

“School” means any public or private primary or secondary facility providing education through and including the twelfth grade as well as any licensed day care centers, meaning any facility licensed by the State of Texas for purposes of providing care, training, education, custody, treatment or supervision for more than six (6) children under fourteen (14) years of age for less than twenty-four (24) hours per day including after school and summer programs.

“Street” means any public thoroughfare dedicated to the public use and not designated as an alley or private access easement.

“Tank” means a container, covered or uncovered, used in conjunction with the drilling or production of gas or other hydrocarbons for holding or storing fluids.

“Technical advisor” means such person(s) familiar with and educated in the gas industry or the law as it relates to gas matters who may be retained from time to time by the City.

“Truck route” means a designated route for commercial vehicles as designated by the City.

“**Watchman**” means a regular or contract employee of the Company whose sole purpose is to monitor conditions on the property, protect the property from unauthorized entry or tampering and provide for the safety and security of the property, employees and the surrounding community.

“**Well**” means a hole or holes, bore or bores, to any horizon, formation, or strata for the purpose of producing gas, liquid hydrocarbon, brine water or sulphur water, or for use as an injection well for secondary recovery, disposal or production of gas, or other hydrocarbons from the earth.

“**Wire line logging**” means the use of radioactive isotopes which are used when measuring formations within the immediate vicinity of the drilling hole.

ARTICLE III

INSPECTION

Section 3.01. Inspection

- A. The Building Official is designated with the authority to oversee the administration and enforcement of this Chapter. The Building Official has the authority to contract the services of a Gas Inspection Services Provider or any other technical advisors familiar with the gas industry.
- B. The Building Official shall have the authority to enter and inspect any premises covered by the provisions of this Ordinance to determine compliance with the provisions of this Ordinance and all applicable laws, rules, regulations, standards or directives of the City or State. Failure of any person to permit access to the Building Official shall constitute a violation of this Ordinance. The Building Official may conduct periodic inspections of all permitted wells in the City to determine that the wells are operating in accordance within proper safety parameters as set out in this Ordinance and all regulations of the Railroad Commission. The Inspection Services Provider shall ensure the drilling site meets all site plan conditions as approved in the drilling permit. The Building Official shall have the authority to approve minor changes to the site plan in order to facilitate conditions conducive to operations as long as they do not conflict with this ordinance. Any major or significant change in the site plan layout shall require an amended permit submittal and approval by the City.
- C. The Building Official shall have the authority to request and receive any records, including any records sent to the Railroad Commission, logs, reports and the like, relating to the status or condition of any permitted well necessary to establish and determine compliance with the applicable Gas Well Permit.

ARTICLE IV

AGENT

Section 4.01 Operator's Agent

Every Operator of any well shall designate an agent, who is a resident of the State of Texas, upon whom all orders and notices provided in this Ordinance may be served in person or by registered or certified mail. Every Operator so designating such agent shall within ten (10) days notify the ~~Inspector~~ Building Official in writing of any change in such agent or such mailing address unless operations within the City are discontinued.

ARTICLE V

GAS WELL PERMITS

SEISMIC SURVEY REQUIREMENTS

Section 5.01 Seismic Survey Requirements

The City shall be notified prior to any seismic surveys being conducted in the City. No seismic survey shall be conducted in any right-of-way unless the applicant can provide proof of lease of mineral property within 200 feet of the right-of-way on which the survey is to be conducted. Authorization for work in the right-of-way shall be approved by the Director of Public Works prior to issuance of a permit. ~~and a permit is issued by the City Engineer~~ Director of Public Works ~~authorizing the work in the right-of-way.~~ All seismic survey applications shall be submitted to the City and approved by the Building Official. The seismic survey shall not begin prior to the issuance of a right-of-way permit from the City.

1. Under no circumstances may explosive charges of any type be used in any way related to the preparation and/or conducting of a seismic survey.

ARTICLE VI

GAS WELL PERMITS

Section 6.01 Gas Well Permit Required

- A. **Specific Use Permit** – A Gas Well Permit may only be obtained from the City with an approved Specific Use Permit, as established in the City’s permitted uses table in the Comprehensive Zoning Ordinance.
- B. **Drilling Operations** - A person wanting to engage in and operate in gas production activities on public or private property shall apply for and obtain a Gas Well Permit under this Ordinance. It shall be unlawful for any person acting either for himself or acting as agent, employee, independent contractor, or servant for any person to drill any well, assist in any way in the site preparation, re-working, fracturing or operation of any such well or to conduct any activity related to the production of gas without first obtaining a Gas Well Permit issued by the City in accordance with this Ordinance. The Operator must apply for and obtain a Gas Well Permit for the drilling, re-drilling, deepening, re-entering, activating or converting of each well on private property. Such activities include, but are not limited to initial site preparation, construction of rigs or tank batteries, fracturing and pressurizing, drilling, operation, production gathering or production maintenance, repair, re-working, testing, plugging and abandonment of the well and/or any other activity associated with mineral exploration at the site of such well. A permit shall not be required for seismic surveys.
- C. **Gas Well Pad Site Permit** - The Operator may apply for and obtain a “blanket” Gas Well Pad Site Permit for more than one well, if multiple wells are located on the same pad site as defined by the SUP.
- D. **Abandoned Well Permit** - An expired Gas Well Permit or an existing active permit for a well that has been abandoned shall not constitute authority for the re-entering and drilling of an abandoned well. An Operator shall obtain a new Gas Well Permit in accordance with the provisions of this ordinance if the Operator is re-entering and drilling an abandoned well. In the event of a dispute over the status of an “abandoned” well, the City Manager will determine, after consulting with the Building Official, if the well is “abandoned” and the determination of the City Manager shall be final.
- E. **New or Supplemental Permit** - A new or supplemental permit shall be obtained before such well may be reworked for purposes of re-drilling, deepening or converting such well to a depth or use other than that set forth in the then current permit for such well.
- F. **Requirements for Notification of Drilling Related Activities** - Any person who intends to re-work a permitted well using a drilling rig, to fracture stimulate a permitted well after initial completion or to conduct seismic surveys or other exploration activities, shall give written notice to the Building Official and Fire Marshal no less than ten (10) days before

the activities begin. The notice must identify where the activities will be conducted and must describe the activities in detail, including whether explosive charges will be used, the duration of the activities and the time the activities will be conducted. The notice must also provide the address and 24-hour phone number of the person conducting the activities. ~~If requested by the Building Official, the~~ The person conducting the activities will post a sign on the property giving the public notice of the activities, including the name, address and 24-hour phone number of the person conducting the activities. If the Building Official or the Fire Marshal determines that an inspection is necessary, the Operator will pay the City for the inspection.

G. **Requirements for Fracture Stimulation Operations** - The following requirements shall apply to all fracture stimulation operations performed on a well within six hundred (600) feet of an occupied residence: 1) at least 72 hours before operations are commenced, the operator shall post a sign at the entrance of the well site advising the public of the date the operations will commence; 2) “flowback” operations to recover fluids used during fracture stimulation shall be performed during daylight hours only unless the city approves such operations during non-daylight hours; 3) a watchman shall be required at all times during such operations; and 4) at no time shall the well be allowed to flow or vent directly to the atmosphere without first directing the flow through separation equipment or into a portable tank.

H. **Termination and Extension of Permit** - A Gas Well Permit shall automatically terminate, unless extended, if drilling is not commenced within one hundred eighty (180) days from the date of the issuance of the Gas Well Permit. Drilling must commence within one hundred eighty (180) days from the date of the issuance of the Gas Well Permit on at least one well under a Gas Well Pad Site Permit as described in Section 6.01 (C) in order to maintain the validity of the Gas Well Permit for the multiple wells.

A Gas Well Permit may be extended by the Building Official for an additional one hundred eighty (180) days upon request by the Operator and proof that the classification of the requested Gas Well Permit for such location has not changed.

If a request is not received or an extension is denied, the applicant shall forfeit all fees paid and shall be responsible for making a new application and paying new fees after one hundred eighty (180) days from the initial permit approval if drilling has not commenced or if the operator fails to correct any noncompliance as a result of a suspension or revocation of a gas well permit.

I. **Wire Line Logging Approval** – Ten days prior to this event a written notification shall be made to and a written acknowledgement received from the Building Official and the Fire Marshals Office. Appropriate permits related to the operation must be obtained from the Fire Marshals Office. Once approved, the operator shall notify the Office of the Fire Marshal and the Building Official a minimum of 72 hours prior to the commencement of the event. A plan must be submitted and approved for the transportation route of any explosives or radioactive materials to be used, and the transporting vehicles must follow

that route. An on-site inspection will take place once the items have been delivered and prior to their use. Proper signage shall be posted for the procedure.

- J. **Perforating Notification Approval** - Ten days prior to this event written notification shall be provided to the Building Official. Perforating requires the approval of the Building Official and the Fire Marshal. Once the perforating schedule is approved, the operator shall notify the Office of the Fire Marshal and the Building Official a minimum of 72 hours prior to the commencement of the event. A plan must be submitted and approved for the transportation route of any explosives or radioactive materials to be used, and the transporting vehicles must follow that route. An on-site inspection will take place once the items have been delivered and prior to their use. Proper signage shall be posted for the procedure. All appropriate permits for any explosive or radioactive materials must be obtained by the Fire Marshal prior to any such products being brought into the City.

~~K.~~

- K. **Other Permits Required** - The Gas Well Permits required by this ordinance are in addition to, and are not in lieu of, any permit which may be required by the City of Bedford Unified Development Code or any other provision of this Code or by any other governmental agency. It is the intent of this section to clarify that no building or structure shall be erected, altered, enlarged, demolished or otherwise built, modified or removed without a permit from the Office of the Building Official. It shall also be the responsibility of any person, firm or corporation to register as a general contractor with the City and obtain a building permit for any work that will require a permit. This includes, but is not limited to, construction of gates, fences, plumbing, irrigation, electricity, roadways, flow lines, gathering lines, tank batteries and buildings. Fees for work to be performed will be assessed in accordance with the City fee schedule.
- L. **Floodplain** - No Gas Well Permit shall be issued for any well to be drilled within any floodway. The Building Official and the City EngineerDirector of Public Works must approve Gas well development in the floodplain. Gas well development that will result in any changes to either the FEMA Flood Insurance Rate Maps (FIRM) or the corresponding hydraulic model will require the operator to obtain a FEMA Letter of Map Revision (LOMR).
- M. **Ordinance in Full Effect** - By acceptance of any Gas Well Permit issued pursuant to this Ordinance, the Operator expressly stipulates and agrees to be bound by and comply with the provisions of this Ordinance. The terms of this Ordinance shall be deemed to be incorporated in any Gas Well Permit issued pursuant to this Ordinance with the same force and effect as if this Ordinance was set forth verbatim in such Gas Well Permit.
- N. No Gas Well Permit shall be issued for any well to be drilled within any of the streets or alleys of the City and/or projected streets or alleys, and no street or alley shall be blocked or encumbered or closed due to any exploration, drilling or production operations unless

prior consent is obtained from the Building Official using the street closure process in place through the Public Works Department.

Section 6.02 Gas Well Permit Application and Filing Fees

- A. Every application for a Gas Well Permit issued pursuant to this Ordinance shall be in writing signed by the Operator, or some person duly authorized to sign on his behalf, and filed with the Office of the Building Official.
- B. Every application shall be accompanied by a non-refundable permit fee as approved by ordinance of the Bedford City Council. In addition, annual inspection fees will be required as approved by ordinance.
- C. The application shall include the following information:
 - 1. A copy of the approved Railroad Commission Permit to drill, together with attachments and survey plats, which are applicable to the drill and operation-sites.
 - 2. The date of the application.
 - 3. An accurate legal description of the lease property to be used for the gas operation, the parcel and the production unit and name of the geologic formation as used by the Railroad Commission. Property recorded by plat should reference subdivision, block and lot numbers.
 - 4. Map showing proposed transportation route and road for equipment, chemicals or waste products used or produced by the gas operation.
 - 5. Proposed well name.
 - 6. Surface owner name(s) and address(es) of the lease property.
 - 7. Mineral Lessee name and address.
 - 8. Applicant/Operator name and address and if the Operator is a corporation, the state of incorporation, address, officers names and addresses, registered agent and address and Articles of Incorporation; and if the Operator is a partnership, the names and addresses of the general and limited partners. Copies of any Doing Business As filings.
 - 9. Name and address of individual designated to receive notice.
 - 10. Name of representative with supervisory authority over all gas operation-site activities and a 24-hour phone number.

11. A detailed site plan that includes specific details of the projected location of the major components of the drilling site, impacted vegetation, creeks and other topographic features, adjacent building and other structures and the measured distance from the well site to these buildings and structures, temporary and permanent fencing and landscaping.
12. The name, address and 24-hour phone number of the person to be notified in case of an emergency.
13. The exact and correct acreage and number of wells included in the Gas Well Permit application.
14. A signed Road Repair Contract supplied by the City that provides that the Operator shall repair, at his own expense, any damage to roads, streets, or highways caused by the use of heavy vehicles for any activity associated with the preparation, drilling, production, and operation of gas wells.
15. A description of public utilities required during drilling and operation.
16. A description of the water source **and protection of water source from possible cross contamination** to be used during drilling.
17. A copy of the Stormwater Pollution Prevention Plan as required by the Texas Commission on Environmental Quality. A copy of the notice of intent shall be submitted to the City of Bedford ~~City Engineer~~**Director of Public Works, ten (10) seven (7)** days prior to the commencement of any onsite activity.
18. A copy of the determination by the Texas Commission on Environmental Quality of the depth of useable quality ground water.
19. The insurance and security requirement documents under this Ordinance.
20. A notarized statement signed by the Operator, or designated representative, that the information submitted with the application is, within the personal knowledge of the operator or designated representative, true and correct.
21. All required application and Gas well permit fees.
22. A grading plan and a drainage plan prepared by a ~~licensed~~ civil engineer **licensed in the State of Texas** that meets the approval of the ~~City Engineer~~**Director of Public Works**.
23. A copy of the Emergency Response Plan for the site.
24. A Hazardous Materials Inventory Statement including MSDS sheets on all products being used broken down into drilling and post drilling documents.

25. An erosion control plan meeting the approval of the ~~City Engineer~~Director of Public Works.

~~25-26.~~ An approved Vehicle Route Plan.

~~25-27.~~ Map showing the location and route of any pipeline within the boundaries of the City of Bedford that will be used by the Operator during the gas drilling and production process as well as the transportation of the gas.

~~28.~~ An acknowledgement form indicating that the operator agrees to comply with all of the requirements of this ordinance.

Section 6.03 Issuance of Gas Well Permit

A Gas Well Permit shall be required if the proposed well is to be located within the City.

A. Permitting Procedure

1. It is the responsibility of the Building Official to review and approve or deny all applications for gas well drilling permits based on the criteria established by this Ordinance. The Building Official, within ~~sixty (60)~~forty-five (45) days after the filing of a completed application and remittance of all fees, insurance and security per the requirements of this Ordinance for a Gas Well Permit, shall determine whether or not the application complies in all respects with the provisions of this Ordinance and shall determine if the proposed well to be drilled or the facility to be installed is in compliance with the distance requirements for the requested Gas Well Permit.

~~2.~~ Any amendment an application for a Gas Well Permit shall be considered a change in the application and will reset the forty-five (45) day period for the Building Official to determine whether or not an application complies in all respects with the provisions of the Ordinance.

~~23.~~ The provisions of this Ordinance shall apply to any dwellings or buildings for which an application for a building permit has been submitted on the date the application for a Gas Well Permit is filed with the Office of the Building Official.

B. Well setbacks for Gas Well Permit – See Article VIII, Section 8.01 Technical Regulations B. Well Setbacks.

C. Fencing Requirements for Drilling Site Perimeter

1. A masonry fence a minimum of six (6) feet but not to exceed eight (8) feet in height shall enclose all completed wells, **equipment** and tanks located within a gas drilling site.
2. Gate requirements and other fencing requirements as outlined in Section 8.02 of this Ordinance shall also be required.

D. Landscaping

Screening shrubs shall be installed completely around the well site and all fences and be sufficient to screen from view the structures sought to be screened. Screening shrubs shall be **of a drought tolerant type and be** a minimum of three (3) feet in height at planting, have the potential to grow to a mature height of ~~a maximum of~~ five (5) feet and, ~~if necessary,~~ must have an installed irrigation system that provides total water coverage to all plant materials **unless the Building Official determines that an irrigation system is not necessary.** The vegetation or berms shall be kept in an attractive state and in good condition at all times by the applicant or operator.

E. Vehicle Routes for Gas Well Permit

Vehicles associated with drilling and/or production in excess of three tons shall be restricted to such streets designated as either truck routes or commercial delivery routes by the City Code wherever capable of being used. The vehicles shall be operated on a truck route wherever capable of being used; they shall be operated on a commercial delivery route only when it is not possible to use a truck route to fulfill the purpose for which such vehicle is then being operated. Commercial delivery route means any street or highway so designated by the City Council for the use by any commercial motor vehicle, truck-tractor, trailer, semi-trailer, or any combination thereof. Operators will be required to develop a proposed Vehicle Route Plan for vehicles associated with drilling and/or production in excess of three tons. This plan must be submitted to and approved by the Director of Public Works prior to the issuance of a Gas Drilling Permit. Vehicles associated with drilling and/or production in excess of three tons will be required to adhere to the approved Vehicle Route Plan.

F. Work Hours for Gas Well Permit

Site development, other than drilling, shall be conducted only between 7 a.m. and 7 p.m., Monday through Friday and 9 a.m. and 6 p.m. on Saturday and Sunday. Truck deliveries of equipment and materials associated with drilling and/or production, well servicing, site preparation and other related work conducted on the well site, shall be limited to the specified hours and days except in cases of fires, blowouts, explosions and any other emergencies or where the delivery of equipment is necessary to prevent the cessation of drilling or production. The Building Official **shall receive and process all requests to work after permitted hours and the City Manager** has the authority to approve additional

hours of work when the well site is located in such a position that the operations at or related to the site will not have an adverse impact on adjacent properties.

G. Noise Restrictions for Gas Well Permit

1. No well shall be drilled, redrilled or any equipment operated at any location within the city in such a manner so as to create any noise which causes the exterior noise level when measured at the nearest Protected Use receiver's/receptor's property line or one hundred (100) feet from the nearest Protected Use structures (measured to the closest exterior point of the building), whichever is closer to the receiver/receptor, that exceeds the Ambient Noise Level by more than five (5) decibels during daytime hours and more than three (3) decibels during nighttime hours. Fracing operations may not exceed the Ambient Noise Level by more than ten (10) decibels. Backflow operations may not exceed the Ambient Noise Level by more than five (5) decibels during nighttime hours.
2. The Operator shall be responsible for establishing and reporting to the City the pre-drilling Ambient Noise Level prior to the issuance of a gas well permit. Once the drilling is complete, the Operator shall be required to establish a new Ambient Noise Level prior to the installation of any new noise generation equipment. The Building Official shall be present when all tests are made to determine Ambient Noise Levels.
3. Adjustments to the noise standards as set forth above in subsection (1) of this section may be permitted in accordance with the following:

Permitted Increase (dBA)	Duration of Increase (minutes)*
5	15
10	5
15	1
20	less than 1

*Cumulative minutes during any one hour

4. All workover operations shall be restricted to daytime hours. "Workover operations" shall mean work performed in a well after its completion in an effort to secure production where there has been none, restore production that has ceased or increase production.
5. The exterior noise level generated by the drilling, redrilling or other operations of all gas wells located within six hundred (600) feet of a Protected Use shall be continuously monitored, to ensure compliance. The cost of such monitoring shall

be borne by the Operator. The monitoring will be conducted in such a way to guarantee that the results are recorded and retained for periodic review by the Building Official.

6. Acoustical blankets, sound walls, mufflers or other alternative methods as approved by the Building Official may be used to ensure compliance. All soundproofing shall comply with accepted industry standards and be subject to approval by the City's Fire Department.
7. The sound level meter used in conducting noise evaluations shall meet the American National Standard Institute's Standard for sound meters or an instrument and the associated recording and analyzing equipment which will provide equivalent data.
8. A citation shall be issued for the failure to correct the violation ~~within 24 hours of~~ after there has been a notice of a violation by either the Building Official or the City of Bedford Police.
9. During nighttime operations, the operation of vehicle audible back-up alarms shall be prohibited or replaced with approved non-auditory signaling systems, such as spotters or flagmen. Deliveries of pipe, casing and heavy loads shall be limited to daytime hours, except for emergency situations. The Derrick Man and Driller shall communicate by walkie-talkie or other non disruptive means only when the Derrick Man is in the derrick. Horns may not be used to signal for connection or to summon crew (except that a horn may be used for emergency purposes only). The operator shall conduct onsite meetings to inform all personnel of nighttime operation noise control requirements.

H. **Tank Specifications for Gas Well Permit**

All tanks and permanent structures shall conform to the American Petroleum Institute (A.P.I.) specifications unless other specifications are approved by the **Fire Marshal Building Official**. The top of the tanks shall be no higher than eight (8) feet above the terrain surrounding the tanks. All tanks shall be set back pursuant to the standards of the Railroad Commission and the National Fire Protection Association, but in all cases, shall be at least seventy-five (75) feet from any public right-of-way or property line. Tank installations must conform to the provisions of the Fire Code in effect in the City at the time of application as well as any site specific requirements imposed by the **Fire Marshal Building Official**.

- I. All other provisions outlined in this Ordinance shall be required.

Section 6.04 Denial of Gas Well Permit Application

If the Building Official denies a Gas Well Permit application for reasons other than lack of required distance as set out in this Ordinance for the requested Gas Well Permit, he shall notify

the Operator in writing of such denial stating the reasons for the denial. Within thirty (30) days of the date of the written decision of the Building Official to deny the Gas Well Permit, the Operator may cure those conditions that caused the denial and resubmit the application to the Office of the Building Official for approval and issuance of the Gas Well Permit. If the operator cures the conditions that caused the denial within the thirty (30) day period he will not be required to pay another permit application fee. All responses outside of thirty (30) day period will be required to pay a new permit application fee.

Section 6.05 Amendment of Gas Well Permits

- A. Application for amended Gas Well Permits shall be in writing, shall be signed by the Operator, and shall include the following:
1. Every application shall be accompanied by a non-refundable permit fee as approved by ordinance of the Bedford City Council. In addition, annual inspection fees will be required as approved by ordinance.
 2. A description of the proposed amendments;
 3. Any changes to the information submitted with the application for the existing Gas Well Permit (if such information has not previously been provided to the City);
 4. Such additional information as is reasonably required by the Building Official to demonstrate compliance with the applicable Gas Well Permit; and
 5. Such additional information as is reasonably required by the Building Official **or Fire Marshal** to prevent imminent destruction of property or injury to persons.
- B. All applications for amended Gas Well Permits shall be filed with the Office of the Building Official and will be reviewed by the Building Official and other city departments. Incomplete applications may be returned to the applicant, in which case the City shall provide a written explanation of the deficiencies; however, the City shall retain the application fee. The City may return any application as incomplete if there is a dispute pending before the Railroad Commission regarding the determination of the Operator.
- C. If the activities proposed by the amendment are not materially different from the activities covered by the existing Gas Well Permit, and if the proposed activities are in conformance with the applicable Gas Well Permit, then the Building Official shall approve the amendment.
- D. The decision of the Building Official to deny an amendment to a Gas Well Permit shall be provided to the Operator in writing within ~~ten-fourteen~~ **(1014)** days after the decision, including an explanation of the basis for the decision.

- E. An Operator must submit an application for a Specific Use Permit to commence drilling from a new drill site that is not shown on (or incorporated by reference as part of) an existing Gas Well Permit.

Section 6.06 Suspension or Revocation of Gas Well Permit, Effect

- A. If an Operator (or its officers, employees, agents, contractors, or representatives) fails to comply with any requirement of a Gas Well Permit (including any requirement incorporated by reference as part of the Gas Well Permit), the Building Official shall give written notice to the Operator specifying the nature of the failure and giving the Operator a reasonable time to cure, taking into consideration the nature and extent of the failure, the extent of the efforts required to cure, and the potential impact on the health, safety, and welfare of the community. In no event, however, shall the cure period be less than thirty (30) days, unless the failure presents a risk of imminent destruction of property or injury to persons or unless the failure involves the Operator's failure to provide periodic reports as required by this Ordinance.
- B. If, the Operator fails to correct the noncompliance within thirty (30) days from the date of the notice, the Building Official may suspend or revoke the Gas Well Permit pursuant to the provisions of this Ordinance.
- C. No person shall carry on any operations performed under the terms of the Gas Well Permit issued under this Ordinance during any period of any Gas Well Permit suspension or revocation or pending a review of the decision or order of the City in suspending or revoking the Gas Well Permit. Nothing contained herein shall be construed to prevent the necessary, diligent and bona fide efforts to cure and remedy the default or violation for which the suspension or revocation of the Gas Well Permit was ordered for the safety of persons or as required by the Railroad Commission.
- D. If the Operator does not cure the noncompliance within the time specified in this Ordinance, the Building Official, upon written notice to the Operator, may notify the Railroad Commission and request that the Railroad Commission take any appropriate action.
- E. If an application for a Gas Well Permit is denied by the Building Official, nothing herein contained shall prevent a new permit application from being submitted to the Office of the Building Official for the same well.

Section 6.07 Periodic Reports

- A. The Operator shall notify the Building Official **and the Fire Marshal** of any changes to the following information within one business week after the change occurs:
 - 1. The name, address, and phone number of the Operator;

2. The name, address, and phone number of the person designated to receive notices from the city (which person must be a resident of Texas that can be served in person or by registered or certified mail); and
3. The Operator's Emergency Action Response Plan (including "drive-to-maps" from public rights-of-way to each drill site).

| B. The Operator shall notify the Building Official **and the Fire Marshal** of any change to the name, address, and 24-hour phone number of the person(s) with supervisory authority over drilling or operations activities within one business day.

C. The Operator shall provide a copy of any "incident reports" or written complaints submitted to the Railroad Commission within 30 days after the Operator has notice of the existence of such reports or complaints regardless of the specifics, causes or basis for the complaint.

D. Beginning on December 31st after each well is completed, and continuing on each December 31st thereafter until the Operator notifies the Inspector that the well has been abandoned and the site restored, the Operator shall submit a written report to the Inspector identifying any changes to the information that was included in the application for the applicable Gas Well Permit that have not been previously reported to the City.

E. Requirement to Report Emergencies.

- (1) The operator shall immediately notify the Office of the Building Official, any third-party Inspection Services Provider and the Fire Department of any incident resulting in product loss from a hydrocarbon storage facility or pipeline, blowout, fire, explosion, incident resulting in injury, death or property damage, or any other significant incidents as defined by the Railroad Commission.
- (2) A written report, containing a brief summary of the incident, shall be submitted to the Office of the Building Official, any third-party Inspection Services Provider and the Fire Marshal by 5:00 p.m. on the first business day of the City following the incident.
- (3) A follow up report shall be submitted to the Office of the Building Official, any third-party Inspection Services Provider and the Fire Marshal within thirty (30) days following the incident. The follow up report shall contain the following information:
 - (a) Operator/applicant name, phone number, address, and, if possible, email address.
 - (b) Description of the incident including the date, time, location and cause of the incident.
 - (c) Duration of the incident, including when it began, when it terminated to the degree that it no longer constituted a hazard to the health, safety and well

being of persons or property, regardless of the distance or separation from the place of incident.

- (d) How the incident was brought under control or remedied.
- (e) A full and complete description of the type of investigation or inquiry that was made concerning the incident, the findings thereof, and the action taken as a result of the findings to prevent a recurrence of the incident.
- (f) The report must be signed and dated by the person responsible for such report.

ARTICLE VII

INSURANCE, BOND AND INDEMNITY

Section 7.01 Bond, Letters of Credit, Indemnity, Insurance

A. General Requirements

The Operator shall be required to:

1. Comply with the terms and conditions of this Ordinance and the Gas Well Permit issued hereunder:
2. Promptly clear drill and operation-sites of all litter, trash, waste and other substances used, allowed, or occurring in the operations, and after abandonment or completion grade, level and restore such property to the same surface conditions as nearly as possible as existed before operations.
3. **INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND LIABILITY OF EVERY KIND, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES, FOR INJURY TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO ANY PROPERTY ARISING OUT OF OR IN CONNECTION WITH THE WORK DONE BY OPERATOR UNDER A GAS WELL PERMIT:**

REGARDLESS OF WHETHER SUCH INJURIES, DEATH OR DAMAGES ARE CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF OPERATOR.
4. Promptly pay all fines, penalties and other assessments imposed due to breach of any terms of the Gas Well Permit.

5. Promptly restore to its former condition any roadway, right-of-way, or other public property damaged by the gas operation (See Road Repair Contract).
6. Reimburse the City of Bedford for any and all emergency response costs incurred while responding to an incident at a site(s) when relating to the drilling or extraction of gas or other minerals or relating to the transportation of the gas or other minerals including via pipeline or other transport vehicle. Reimbursement shall include but not be limited to the cost of personnel, equipment or contracted services used in the event.

B. Bond, Irrevocable Letter of Credit

1. Prior to the issuance of a Gas Well Permit, the Operator shall provide the Inspector with a security instrument in the form of a bond or an irrevocable letter of credit as follows:
 - a. **Bond.** A bond shall be executed by a reliable bonding or insurance institution authorized to do business in Texas and acceptable to the City. The bond shall become effective on or before the date the Gas Well Permit is issued and shall remain in force and effect for at least a period of six (6) months after the expiration of the Gas Well Permit term or until the well is plugged and abandoned and the site is restored, whichever occurs last. The Operator shall be listed as principal and the instrument shall run to the City, as obligee, and shall be conditioned that the Operator will comply and perform in accordance with the terms and regulations of this Ordinance, other applicable City ordinances and the Road Repair Contract. The original bond shall be submitted to the Inspector with a copy of the same provided to the City Secretary and the Risk Manager.
 - b. **Letter of Credit.** A Letter of Credit shall be issued by a reliable bank authorized to do business in Texas and shall become effective on or before the date the Gas Well Permit is issued. The Letter of Credit shall remain in force and effect for at least a period of six (6) months after the expiration of the Gas Well Permit term or until the well is plugged and abandoned and the site is restored, whichever occurs last. If the Letter of Credit is for a time period less than the life of the well as required by this Ordinance, the Operator must agree to either renew the Letter of Credit or replace the Letter of Credit with a bond in the amount required by this Ordinance, on or before forty-five (45) days prior to the expiration date of the Letter of Credit. If the Operator fails to deliver to the City of Bedford either the renewal Letter of Credit or replacement bond in the appropriate amount on or before forty-five (45) days prior to the expiration date of the Letter of Credit, the City of Bedford may draw the entire face amount of the attached Letter of Credit to be held by the City of Bedford as security for Operator's performance of its obligations under this Ordinance.

In any event, the City may draw upon the Letter of Credit upon a signed statement by its City Manager that the terms of this Chapter have not been complied with, in any respect.

The City shall be authorized to draw upon such Letter of Credit to recover any fines, penalties, defaults or violations assessed under this ordinance or the Road Repair Contract. Evidence of the execution of a Letter of Credit shall be submitted to the Inspector by submitting an original signed Letter of Credit from the banking institution, with a copy of the same provided to the City Secretary and the Risk Manager.

- c. The principal amount of any security instrument shall be Fifty Thousand (\$50,000) dollars for any single well. If, after completion of a well, the applicant/Operator, who initially posted a Fifty Thousand (\$50,000) dollars bond, has complied with all of the provisions of this Ordinance and whose well in the producing state and all drilling operations have ceased, may submit a request to the Inspector to reduce the existing bond to Ten Thousand (\$10,000) dollars for the remainder of the time the well produces without reworking. During reworking operations, the amount of the bond or letter of credit shall be maintained at Fifty Thousand (\$50,000) dollars.

An operator drilling or reworking between one and five wells at any given time, may elect to provide a blanket bond or Letter of Credit, in the principal minimum amount of One Hundred Fifty Thousand (\$150,000) dollars. If the operator drills or reworks more than five wells at a time, the blanket bond or Letter of Credit shall be increased in increments of Fifty Thousand (\$50,000) dollars per each additional well. Once the wells are in the producing stage and all drilling operations have ceased, the Operator may elect to provide a blanket bond or Letter of Credit for the remainder of the time the well produces, without reworking, as follows:

<u>Number of Producing Wells</u>	<u>Blanket Bond/Letter of Credit Amount Required</u>
Up to 75 wells	\$100,000
75 to 150 wells	\$150,000
More than 150 wells	\$200,000

If at any time after no less than a fifteen (15) day written notice to the Operator and a public hearing, the City Council shall deem any Operator's bond or letter of credit to be insufficient, it may require the Operator to increase the amount of the bond or letter of credit up to a maximum of Two Hundred and Fifty Thousand (\$250,000) dollars per well.

- d. Whenever the Inspector finds that a default has occurred in the performance of any requirement or condition imposed by this Ordinance, a written notice shall be given to the Operator. Such notice shall specify the work to be done, the estimated cost and the period of time deemed by the Inspector to be reasonably necessary for the completion of such work. After receipt of such notice, the Operator shall, within the time therein specified, either cause or require the work to be performed, or failing to do so, shall pay over to the City one hundred twenty-five (125) percent of the estimated cost of doing the work as set forth in the notice. In no event, however, shall the cure period be less than thirty (30) days unless the failure presents a risk of imminent destruction of property or injury to persons or unless the failure involves the Operator's failure to provide periodic reports as required by this Ordinance.

The City shall be authorized to draw against any irrevocable letter of credit or bond to recover such amount due from the Operator. Upon receipt of such monies, the City shall proceed by such mode as deemed convenient to cause the required work to be performed and completed, but no liability shall be incurred other than for the expenditure of said sum in hand. In the event that the well has not been properly abandoned under the regulations of the Railroad Commission, such additional money may be demanded from the Operator as is necessary to properly plug and abandon the well and restore the drill site in conformity with the regulations of this Ordinance.

- e. In the event the Operator does not cause the work to be performed and fails or refuses to pay over to the City the estimated cost of the work to be done as set forth in the notice, or the issuer of the security instrument refuses to honor any draft by the City against the applicable irrevocable letter of credit or bond the City may proceed to obtain compliance and abate the default by way of civil action against the Operator, or by criminal action against the Operator, or by both such methods. In addition, the City may summarily suspend or revoke the Gas Well Permit and require that all operations on the well site immediately cease.
- f. When the well or wells covered by said irrevocable letters of credit or bond have been properly abandoned in conformity with all regulations of this Ordinance, and in conformity with all regulations of the Railroad Commission and notice to that effect has been received by the City, or upon receipt of a satisfactory substitute, the irrevocable letter of credit or bond issued in compliance with these regulations shall be terminated and cancelled.

C. Insurance

In addition to the bond or letter of credit required pursuant to this Ordinance, the Operator shall carry a policy or policies of insurance issued by an insurance company or companies authorized to do business in Texas. In the event such insurance policy or policies are cancelled, the Gas Well Permit shall be suspended on such date of cancellation and the Operator's right to operate under such Gas Well Permit shall immediately cease until the Operator files additional insurance as provided herein. An Operator may request that the insurance requirements herein may be met by a combination of self-insurance, primary and excess insurance policies subject to the approval of the City Manager.

1. General Requirements applicable to all policies:

- a. The City, its officials, employees, agents and officers shall be endorsed as an "Additional Insured" to all policies except Employers Liability coverage under the Operator's Workers Compensation policy.
- b. All policies shall be written on an occurrence basis.
- c. All policies shall be written by an insurer with an A-: VIII or better rating by the most current version of the A.M. Best Key Rating Guide or with such other financially sound insurance carriers acceptable to the City.
- d. Deductibles shall be listed on the Certificate of Insurance and shall be on a "per occurrence" basis unless otherwise stipulated herein.
- e. Certificates of Insurance shall be delivered to the City of Bedford, Department of ~~Planning and~~ Development, ~~201 N. Ector Drive~~ 2000 Forest Ridge Drive, Bedford, Texas 7603976021, evidencing all the required coverage's, including endorsements, prior to the issuance of a Gas Well Permit.
- f. All policies shall be endorsed with a waiver of subrogation providing rights of recovery in favor of the City.
- g. Any failure on part of the City to request required insurance documentation shall not constitute a waiver of the insurance requirement specified herein.
- h. Each policy shall be endorsed to provide the City a minimum thirty (30) day notice of cancellation, non-renewal, and/or material change in policy terms or coverage. A ten (10) day notice shall be acceptable in the event of non-payment of premium.
- i. During the term of the Gas Well Permit, the Operator shall report to the Building Official, in a timely manner, any known loss occurrence which

could give rise to a liability claim or lawsuit or which could result in a property loss.

- j. Upon request, certified copies of all insurance policies shall be furnished to the City.

2. Standard Commercial General Liability Policy

This coverage must include premises, operations, blowout or explosion, products, completed operations, sudden and accidental pollution, blanket contractual liability, underground resources damage, broad form property damage, independent contractors protective liability and personal injury. This coverage shall be a minimum Combined Single Limit of One Million (\$1,000,000) dollars per occurrence for Bodily Injury and Property Damage.

3. Excess or Umbrella Liability

\$ 5,000,000 Excess, if the Operator has a stand-alone Environmental Pollution Liability (EPL) policy.

\$10,000,000 Excess, if the Operator does not have a stand-alone EPL policy. Coverage must include an endorsement for sudden or accidental pollution.

4. Environmental Pollution Liability Coverage

a. Operator shall purchase and maintain in force for the duration of the Gas Well Permit, insurance for environmental pollution liability applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense or settlement of claims; all in connection with any loss arising from the insured site. Coverage shall be maintained in an amount of at least One Million (\$1,000,000) dollars per loss, with an annual aggregate of at least Ten Million (\$10,000,000) dollars.

b. Coverage shall apply to sudden and accidental pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants.

c. The Operator shall maintain continuous coverage and shall purchase Extended Coverage Period insurance when necessary. The Extended Coverage Period insurance must provide that any retroactive date

applicable to coverage under the policy precedes the effective date of the issuance of the permit by the City.

5. Control of Well

The policy should cover the cost of controlling a well that is out of control, re-drilling or restoration expenses, seepage and pollution damage as first party recovery for the Operator and related expenses, including, but not limited to, loss of equipment, experts and evacuation of residents.

\$5,000,000 per occurrence/no aggregate, if available, otherwise an aggregate of ten million (10,000,000) dollars.

\$ 500,000 Sub-limit endorsement may be added for damage to property for which the Operator has care, custody and control.

6. Workers Compensation and Employers Liability Insurance

- a. Workers Compensation benefits shall be Texas Statutory Limits.
- b. Employers Liability shall be a minimum of Five Hundred Thousand (\$500,000) dollars per accident.
- c. Such coverage shall include a waiver of subrogation in favor of the City and provide coverage in accordance with applicable State and Federal laws.

7. Automobile Liability Insurance

- a. Combined Single Limit of One Million (\$1,000,000) dollars per occurrence for Bodily Injury and Property Damage.
- b. Coverage must include all owned, hired and not-owned automobiles.

8. Certificates of Insurance

- a. The company must be admitted or approved to do business in the State of Texas, unless the coverage is written by a Surplus Lines insurer.
- b. The insurance set forth be the insurance company must be underwritten on forms that have been approved by the Texas State Board of Insurance or ISO, or an equivalent policy form acceptable to the City, with the exception of Environmental Pollution Liability and Control of Well coverage.

- c. Certificates shall set forth all endorsements and insurance coverage according to requirements and instructions contained herein.
- d. Shall specifically set forth the notice of cancellation, termination, or change in coverage provisions to the City. All policies shall be endorsed to read "THIS POLICY WILL NOT BE CANCELLED OR NON-RENEWED WITHOUT THIRTY (30) DAYS ADVANCED WRITTEN NOTICE TO THE OWNER AND THE CITY EXCEPT WHEN THIS POLICY IS BEING CANCELLED FOR NONPAYMENT OF PREMIUM, IN WHICH CASE TEN (10) DAYS ADVANCE WRITTEN NOTICE IS REQUIRED".
- e. Original endorsements affecting coverage required by this section shall be furnished with the certificates of insurance.

D. Indemnification and Express Negligence Provisions

1. **EACH GAS WELL PERMIT ISSUED BY THE CITY OF BEDFORD SHALL INCLUDE THE FOLLOWING LANGUAGE: OPERATOR DOES HEREBY EXPRESSLY RELEASE AND DISCHARGE, ALL CLAIMS, DEMANDS, ACTIONS, JUDGMENTS, AND EXECUTIONS WHICH IT EVER HAD, OR NOW HAS OR MAY HAVE, OR ASSIGNS MAY HAVE, OR CLAIM TO HAVE, AGAINST THE CITY OF BEDFORD, AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, SUCCESSORS, ASSIGNS, SPONSORS, VOLUNTEERS, OR EMPLOYEES, CREATED BY, OR ARISING OUT OF PERSONAL INJURIES, KNOWN OR UNKNOWN, AND INJURIES TO PROPERTY, REAL OR PERSONAL, OR IN ANY WAY INCIDENTAL TO OR IN CONNECTION WITH THE PERFORMANCE OF THE WORK PERFORMED BY THE OPERATOR UNDER A GAS WELL PERMIT. THE OPERATOR SHALL FULLY DEFEND, PROTECT, INDEMNIFY, AND HOLD HARMLESS THE CITY OF BEDFORD, TEXAS, ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, EMPLOYEES, SUCCESSORS, ASSIGNS, SPONSORS, OR VOLUNTEERS FROM AND AGAINST EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION AND ANY AND ALL LIABILITY, DAMAGES, OBLIGATIONS, JUDGMENTS, LOSSES, FINES, PENALTIES, COSTS, FEES, AND EXPENSES INCURRED IN DEFENSE OF THE CITY OF BEDFORD, TEXAS, ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES, INCLUDING, WITHOUT LIMITATION, PERSONAL INJURIES AND DEATH IN CONNECTION THEREWITH WHICH MAY BE MADE OR ASSERTED BY OPERATOR, ITS AGENTS, ASSIGNS, OR ANY THIRD PARTIES ON ACCOUNT OF, ARISING OUT OF, OR IN ANY WAY INCIDENTAL TO OR IN CONNECTION WITH THE PERFORMANCE OF THE WORK PERFORMED BY THE OPERATOR UNDER A GAS WELL PERMIT. THE OPERATOR AGREES TO INDEMNIFY AND HOLD HARMLESS**

THE CITY OF BEDFORD, TEXAS, ITS DEPARTMENTS, ITS OFFICERS, AGENTS, SERVANTS, EMPLOYEES, SUCCESSORS, ASSIGNS, SPONSORS, OR VOLUNTEERS FROM ANY LIABILITIES OR DAMAGES SUFFERED AS A RESULT OF CLAIMS, DEMANDS, COSTS, OR JUDGMENTS AGAINST THE CITY, ITS DEPARTMENTS, ITS OFFICERS, AGENTS, SERVANTS, OR EMPLOYEES, CREATED BY, OR ARISING OUT OF THE ACTS OR OMISSIONS OF THE CITY OF BEDFORD OCCURRING ON THE DRILL SITE OR OPERATION-SITE IN THE COURSE AND SCOPE OF INSPECTING AND PERMITTING THE GAS WELLS INCLUDING, BUT NOT LIMITED TO, CLAIMS AND DAMAGES ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OF THE CITY OF BEDFORD OCCURRING ON THE DRILL SITE OR OPERATION-SITE IN THE COURSE AND SCOPE OF INSPECTING AND PERMITTING THE GAS WELLS. IT IS UNDERSTOOD AND AGREED THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION IS AN INDEMNITY EXTENDED BY THE OPERATOR TO INDEMNIFY AND PROTECT THE CITY OF BEDFORD, TEXAS AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES FROM THE CONSEQUENCES OF THE NEGLIGENCE OF THE CITY OF BEDFORD, TEXAS AND/OR ITS DEPARTMENTS, AGENTS, OFFICERS, SERVANTS, OR EMPLOYEES, WHETHER THAT NEGLIGENCE IS THE SOLE OR CONTRIBUTING CAUSE OF THE RESULTANT INJURY, DEATH, AND/OR DAMAGE.

E. **Notice**

The individual designated to receive notice shall be a resident of Texas upon whom all orders and notices provided in this Ordinance may be served in person or by registered or certified mail. Every Operator shall within ten (10) days notify the Building Official in writing of any change in such agent or mailing address unless operations in the City are discontinued and abandonment is complete.

ARTICLE VIII

ON-SITE AND TECHNICAL REGULATIONS

Section 8.01 Technical Regulations

A. **On-site Requirements**

1. **Abandoned Wells.** All wells shall be abandoned in accordance with the rules of the Railroad Commission; however, all well casings shall be cut and removed to a depth of at least ten (10) feet below the surface unless the surface owner

submits a written agreement otherwise. Three (3) feet shall be the minimum depth. No structures shall be built over an abandoned well.

2. **Blowout prevention.** In all cases, blowout prevention equipment shall be used on all wells being drilled, worked-over or in which tubing is being changed. Protection shall be provided to prevent blowout during gas operations as required by and in conformance with the requirements of the Railroad Commission and the recommendations of the American Petroleum Institute. The Operator must equip all drilling wells with adequate blowout preventors, flow lines and valves commensurate with the working pressures involved as required by the Railroad Commission.
3. **Chemical and materials storage.** All chemicals and/or hazardous materials shall be stored in such a manner as to prevent, contain and facilitate rapid remediation and cleanup of any accidental spill, leak or discharge of hazardous materials. Operator shall have all material data safety sheets (MSDS) for all hazardous materials on-site. All applicable federal and state regulatory requirements for the proper labeling of containers shall be followed. Appropriate pollution prevention actions shall be required and include, but are not limited to, chemicals and materials raised from the ground (i.e. – wooden pallets or containment pallets), installation and maintenance of secondary containment systems, bulk storage and protection from storm water and weather elements.
4. **Closed Loop System.** A closed loop mud circulating system shall be the only approved and permitted system used in the drilling process. This system is self-contained and has the ability to reuse certain products and is contained within the confines of the drilling pad site.
5. **Compressor Stations** for the compressing of gas are prohibited in the City of Bedford.
6. **Compliance.** Operator shall comply at all times with all applicable federal, state and City requirements.
7. **Discharge.** No person shall place, deposit, discharge, or cause or permit to be placed, deposited or discharged, any oil, naphtha, petroleum, asphalt, tar, hydrocarbon substances or any refuse including wastewater or brine from any gas operation or the contents of any container used in connection with any gas operation in, into, or upon any public rights-of-way, alleys, streets, lots, storm drains, ditches or sewers, sanitary drains or any body of water or any private property in the City.
8. **Drilling fluids.** Low toxicity glycols, synthetic hydrocarbons, polymers and esters shall be substituted for conventional oil-based drilling fluids. Drilling fluid storage pits shall not be located within the City.

9. **Drill Stem testing.** All open hole formation or drill stem testing shall be done during daylight hours. Drill stem tests may be conducted only if the well effluent during the test is produced through an adequate gas separator to storage tanks and the effluent remaining in the drill pipe at the time the tool is closed is flushed to the surface by circulating drilling fluid down the annulus and up the drill pipe.
10. **Drip pans and other containment devices.** Drip pans and other containment devices shall be placed or installed underneath all tanks, containers, pumps, lubricating oil systems, engines, fuel and chemical storage tanks, system valves, connections and any other areas or structures that could potentially leak, discharge or spill hazardous liquids, semi-liquids or solid waste materials, including hazardous waste inseparable by simple mechanical removal processes and made up primarily of natural materials.
11. **Dust, Vibration, Odors.** All drilling and production operations shall be conducted in such a manner as to minimize, so far as practicable, dust, vibration, or noxious odors, and shall be in accordance with the best accepted practices incident to drilling for the production of gas and other hydrocarbon substances in urban areas. All equipment used shall be so constructed and operated so that, vibrations, dust, odor or other harmful or annoying substances or effect will be minimized by the operations carried on at any drilling or production-site or from anything incident thereto, to the injury or annoyance of persons living in the vicinity; nor shall the site or structures thereon be permitted to become dilapidated, unsightly or unsafe. Proven technological improvements in industry standards of drilling and production in this area shall be adopted as they become available if capable of reducing factors of dust, vibration and odor.
12. **Electric lines.** All electric lines to site development and/or drilling facilities shall be located in a manner compatible to those already installed in the surrounding area or subdivision. Production power lines shall be placed underground.
13. **Electric motors.** Only electric prime movers or motors shall be permitted for the purpose of pumping wells. All electrical installations and equipment shall conform to the City ordinances and the appropriate national codes.
14. **Emergency Response Plan.** Prior to the commencement of any gas or other hydrocarbons production activities, the Operator shall submit to the Building Official and the Fire Marshal an emergency response plan establishing written procedures to minimize any hazard resulting from drilling, completion or producing of gas wells. Said plan shall use existing guidelines established by the Railroad Commission, Texas Commission on Environmental Quality, Department of Transportation and/or the Environmental Protection Agency. The Emergency response plan shall be kept current with any additions, modifications and/or amendments concerning all construction related activities, oil and/or natural gas operations and/or production. Updated plans shall be submitted to the Building Official and the Fire Marshal within two (2) business days after any additions,

modifications and/or amendments to said plans. A copy of the emergency response plan shall be kept on-site and readily available.

15. **Explosives.** Under no circumstances shall explosives of any type be stored on-site, transported through the site, placed on the site or used during any phase of drilling, re-drilling, deepening, re-entering, activating, converting, fracturing or completing a gas well without the prior consent of the Fire Department. A Fire Department permit is required prior to any explosives being brought on-site. The operator shall provide notice to the Building Official and the Fire Marshal and apply for a Fire Department permit at least ten (10) days prior to such activities. The notice shall identify the date that the explosive charges will be used, when they will be removed, the type and quantity of explosives to be on-site, the date and means of transporting the explosive charges, and the transportation route to and from the drill and/or operation-site. Explosives must be properly secured and safeguarded and may not remain on the site longer than necessary for the operation for which they are used. It is the specific intent of this ordinance that long-term storage of explosives is prohibited. Modifications to the explosives permit may be made by the Fire Marshal upon written request by the Operator.
16. **Equipment painted.** All production equipment on the site shall be painted and maintained at all times, including pumping units, storage tanks, buildings and structures. Paint shall be of a neutral color, compatible with surrounding uses. Neutral colors shall include sand, gray and unobtrusive shades of brown, or other neutral colors approved by the Building Official.
~~Paint colors must be approved by the Building Official.~~
17. **Fire prevention; sources of ignition.** Firefighting apparatus and supplies as approved by the Fire Marshal and required by any applicable federal, state, or local law shall be provided by the Operator, at the Operator's cost, and shall be maintained on the drilling site at all times during drilling and production operations. The Operator shall be responsible for the maintenance and upkeep of such equipment. Each well shall be equipped with an automated valve that closes the well in the event of an abnormal change in operating pressure. All well heads shall contain an emergency shut off valve to the well distribution line.
18. **Fresh Water Wells.** It shall be unlawful to drill any well, the center of which, at the surface of the ground, is located within 250 feet to any fresh water well. The measurement shall be in a direct line from the closest well bore to the fresh water well bore.

The operator of a gas well shall provide the Building Official with a "pre-drilling" and "post-drilling" water analysis from any fresh water well within 1,500500 feet of the gas well.

Water samples must be collected and analyzed utilizing proper sampling and laboratory protocol from a United States Environmental Protection Agency or

Texas Commission on Environmental Quality approved laboratory. Well samples shall be analyzed prior to any drilling activity and again within three (3) months after the drilling begins. Testing must include, but is not limited to: methane, chloride, sodium, barium and strontium.

Within one hundred and eighty (180) days of its completion date, each gas well shall be equipped with a cathodic protection system to protect the production casing from external corrosion. The Building Official may approve an alternative method of protecting the production casing from external corrosion.

19. **Gas emission or burning restricted.** No person shall allow, cause or permit gases to be vented into the atmosphere or to be burned by open flame except as provided by law or as permitted by the Railroad Commission. If the venting of gases into the atmosphere or the burning of gases by open flame is authorized as provided by law or as permitted by the Railroad Commission, then such vent or open flame shall not be located closer ~~then~~-than 75 feet from any building not used in operations on the drilling site and such vent or open flame shall be screened in such a way as to minimize detrimental effects to adjacent property owners.
20. **Gas Processing Onsite.** Except for a conventional gas separator or line heater, no refinery, processing, treating, dehydrating or absorption plant of any kind shall be constructed, established or maintained in the City.
21. **Gas Well Stimulation.** All formation fracturing operations shall be conducted during daylight hours unless the Operator has notified the Building Official that fracing will occur before or after daylight hours to meet safety requirements. The City Manager will approve fracing operations outside of the regularly permitted hours. Air, gas, or pneumatic drilling shall not be permitted. Only Light Sand Fracture Technology or those technologies approved by the Building Official may be used to fracture stimulate a well.
22. **Gas Monitor.** Any well site that is located within 1000 feet of an occupied or occupiable structure shall be equipped with an approved gas monitoring device. The device must be equipped to sound a local alarm and be monitored off site continuously by a licensed and approved alarm monitoring company. The installation must meet design criteria approved by the Fire Marshal.
23. **Grass, weeds, trash.** All drill and operation pad sites shall be kept clear of grass, weeds, and combustible trash.
24. **Hazardous Plan.** A Hazardous Materials Management Plan shall be on file with the Fire Marshal and the Building Official.

25. **Lights.** No person shall permit any lights located on any drill or operation-site to be directed in such a manner so that they shine directly on public roads, adjacent property or property in the general vicinity of the operation-site. To the extent practicable, and taking into account safety considerations, site lighting shall be directed downward and internally to avoid glare on public roads and adjacent dwellings and buildings within one-thousand (1000) feet. Other provisions notwithstanding, lights shall be shielded or otherwise protected to avoid presenting a hazard to traffic on adjacent roadways.
26. **Lubricating Oil Purification Units.** Any and all stationary diesel power plants located on the drilling site and associated with the exploration, development, operation and production of oil, natural gas or associated minerals shall have a lube oil purification unit installed, maintained and functional at all times while the diesel plant is operating.
27. **Muffling exhaust.** Exhaust from any internal combustion engine, stationary or mounted on wheels, used in connection with the drilling of any well or for use on any production equipment shall not be discharged into the open air unless it is equipped with an exhaust muffler, or mufflers or an exhaust muffler box constructed of noncombustible materials sufficient to suppress noise and prevent the escape of obnoxious gases, fumes or ignited carbon or soot.
28. **Organic solvents.** Organic solvents, such as trichloroethylene and carbon tetrachloride, shall not be used for cleaning any element, structure or component of the drilling rig, platform, and/or associated equipment, tools or pipes. To the maximum extent practical, high flash point Varsol shall be used.
29. **Pipe dope.** Lead-free, biodegradable pipe dope shall be substituted for API specified pipe dope.
30. **Pits.** No washout pits shall be located within the City. ~~unless all~~ All fluid, sludge, solid waste materials, drilling fluids, waste oil, spent completion fluids, all other liquids, semi-liquids, mud, and other materials including natural and primarily natural materials are immediately captured within a fully enclosed, above ground containment tank.

No drill cuttings, rotary mud and wastewater generated during drilling operations may be buried on-site. ~~unless permitted by the Railroad Commission and approved by the Building Official after submission of an acceptable pre-burial test~~
31. **Private roads and drill sites.** Prior to the commencement of any drilling operations, all private roads to be used for access to the drill site and the operation-site itself shall be installed and shall be at least twenty-four (24) feet wide, and shall have an overhead clearance of fourteen (14) feet. A standard commercial drive approach meeting the requirements of the City of Bedford shall be installed at the point of contact with the City street and a concrete drive shall

extend for a minimum of seventy –five (75) feet onto the property from the street prior to any drilling operations commencing. All other private roads on drill sites during the drilling and fracturing stages of a drill site shall be constructed of an approved all-weather hard surface and be maintained to prevent dust, mud and rutting. Requirements for the road surface following drilling operations may be different than those permitted during the drilling operations and may include concrete surfaces in certain areas as defined in the approved site plan. All concrete road surfaces specified in the site plan shall be installed within sixty (60) days after the production stage at the site begins. In particular cases these requirements governing surfacing of private roads may be altered at the discretion of the Building Official and the ~~City Engineer~~Director of Public Works with the approval of the Fire Marshal.

32. **Salt Water and Disposal Wells.** No salt-water disposal wells shall be located within the City of Bedford.
 33. **Soil Sampling.** Soil sampling may be required at the discretion of the Building Official to determine if soil contamination is present at the site. Soil contamination assessments shall be conducted at the expense of the Operator and shall utilize an approved laboratory testing for any increase above the Texas-specific median background concentrations for metals or specific contaminants that might have been present on the site. A minimum of five (5) samples shall be taken and shall include the pit or area of concern as well as the area down grade from the site.
 34. **Signs.** A sign shall be immediately and prominently displayed at the gate on the fencing erected pursuant to Section 8.02 of this Ordinance. Such sign shall be durable material, maintained in good condition and, unless otherwise required by the Railroad Commission, shall have a surface area of not less than two (2) square feet nor more than four (4) square feet and shall be lettered with the following:
 - (1). Well name and number;
 - (2). Name of Operator;
 - (3). The ~~emergency 911~~911 number; and
 - (4). Telephone numbers of two (2) persons responsible for the well who may be contacted in case of emergency. These numbers will be answered twenty-four (24) hours a day.
- b. Permanent weatherproof signs reading “DANGER NO SMOKING ALLOWED” shall be posted immediately upon completion of the well site fencing at the entrance of each well site and tank battery or in any other location approved or designated by the Fire Marshal of the City. Sign lettering shall be four (4) inches in height and shall be red on a white

background or white on a red background. Each sign shall include the emergency notification numbers of the Fire Department and the Operator, well and lease designations required by the Railroad Commission.

- c. No other signs shall be permitted on the site unless specifically required for notifications or safety purposes by the City or other Governmental Agency.

- 35. **Storage of equipment.** On-site storage is prohibited on the operation-site. No equipment shall be stored on the drilling or production operation-site, unless it is necessary to the everyday operation of the well. Lumber, pipes, tubing and casing shall not be left on the operation-site except when drilling or well servicing operations are being conducted on the site.

No vehicle or item of machinery shall be parked or stored on any street, right-of-way or in any driveway, alley or upon any operation-site which constitutes a fire hazard or an obstruction to or interference with fighting or controlling fires except that equipment which is necessary for drilling or production operations on the site. The Fire Marshal shall be the person that determines whether equipment on the site shall constitute a fire hazard.

No refinery, processing, treating, dehydrating or absorption plant of any kind shall be constructed, established or maintained on the premises. This shall not be deemed to exclude a conventional gas separator or dehydrator.

- 36. **Storage Tanks.** All tanks and permanent structures shall conform to the American Petroleum Institute (A.P.I.) specifications and local codes unless the Fire Marshal approves other specifications. All storage tanks shall be equipped with an approved secondary containment system that may include lining with an impervious material approved by the Fire Marshal. The secondary containment system shall be a minimum of three feet (3') in height and sized to contain one and one-half (1 ½) times the contents of the largest tank and a twenty five (25) year, twenty-four (24) hour rainfall (to be calculated at 12 inches) in accordance with the Fire Code. Lining material, if used and permitted as part of the secondary containment system, must be buried at least one (1) foot below the surface. Provisions must be made to drain the secondary containment area of accumulations of ground water and rainfall. Secondary containment areas must be routinely drained as necessary. Drip pots shall be provided at the pump out connection to contain the liquids from the storage tank. Tanks and tank installations must also conform to the provisions of any applicable NFPA standard, the fire code in effect at the time of submittal, and site specific requirements imposed by the Fire Marshal.

All tanks shall be set back pursuant to the standards of the Texas Railroad Commission and the National Fire Protection Association, but in all cases, shall be at least seventy-five (75) feet from any public right-of-way or

property line. Each storage tank shall be equipped with a level control device that will automatically activate a valve to close the well in the event of excess liquid accumulation in the tank.

No meters, storage tanks, separation facilities, or other above ground facilities, other than the well head and flow lines, shall be placed in a floodway or the 100-year floodplain.

Tanks must be at least three hundred (300) feet from any church, public building, hospital, public or private school, or combustible structure.

37. **Tank Battery Facilities.** Tank battery facilities shall be equipped with a remote foam application piping system approved by the Fire Marshal and a lightning arrestor system. The foam system shall be provided with a 2 1/2" Siamese FDC secured with a locking Knox cap at a location approved by the ~~fire~~ Fire department-Department a minimum of two hundred (200) feet from the tanks. This distance may be reduced with the approval of the Fire Marshal if conditions warrant. When required by the Fire Department, on-site storage of foam may be required under the conditions as set forth by the Fire Department. All components shall be installed in accordance with nationally recognized standards and shall be properly maintained by the well operator.
38. **Surface casing.** Surface casing shall be run and set in full compliance with the applicable rules and regulations of the Railroad Commission.
39. **Valves.** Each well must have a shutoff valve to terminate the well's production. The Fire Department shall have access to the well site to enable it to close the shut-off valve in an emergency. All well heads shall be equipped with an automated valve that closes the well in the event of an abnormal change in operating pressure. All well heads shall contain an appropriately labeled emergency shut off valve to the well distribution line located where it is accessible to the Operator and the Fire Department in an emergency.
40. **Waste Disposal.** Unless otherwise directed by the Railroad Commission, all tanks used for storage shall conform to the following:

Operator must use portable closed steel storage tanks for storing liquid hydrocarbons. Tanks must meet the American Petroleum Institute standards. All tanks must have a vent line, flame arrester and pressure relief valve. All tanks must be enclosed by a fence applicable to the issued permit classification. No tank battery shall be within three hundred (300) feet of any dwelling, church, public building, playground, park, hospital, commercial structure, or public or private school or other combustible structure.

Drilling mud, cuttings, liquid hydrocarbons and all other field waste derived or resulting from or connected with the drilling, re-working or deepening of any well

shall be ~~discharged into a lined earthen pit contained in a close loop drilling system. All disposals must be in accordance with the rules of the Railroad Commission and any other appropriate local, state or federal agency.~~

Unless otherwise directed by the Railroad Commission, waste materials shall be removed from the site and transported to an off-site disposal facility not less often than every thirty (30) days. Water stored in on-site tanks shall be removed as necessary.

All waste shall be disposed of in such a manner as to comply with the air and water pollution control regulations of the State, this Chapter and any other applicable ordinance of the City.

41. **Watchman.** The Operator must keep a watchman or security personnel on-site during the drilling or re-working of a well when other workmen are not on the premises.
42. **Items Not Specifically Addressed.** It is the intent that reasonable safety measures be followed during all phases of the development and production processes at any site in the City. Sites and operations must comply with all Federal, State or local laws, regulations and ordinances in effect at the time. Specific safety concerns that are identified during inspection processes must be resolved by the operator in a timely manner.

B. Well, Tank batteries, Well facilities, and Equipment setbacks

It shall be unlawful to drill any well, the center of which, at the surface of the ground, is located:

1. Within seventy-five (75) feet from any outer boundary line of the well site; or
2. Within seventy-five (75) feet from any storage tank, or source of ignition; or
3. Within seventy-five (75) feet of any public street, road, highway or future street, right-of-way or property line; or
4. Within five hundred (500) feet from any public park (unless prior consent is obtained from the City Council to drill in a public park) or from any residence, church, public building, hospital, commercial, or public or private school or building used, or designed and intended to be used, for human occupancy; or

5. Within 100 feet of any building accessory to, but not necessary to the operation of the well; or

6. Within two hundred fifty (250) feet to any fresh water well. The measurement shall be in a direct line from the closest well bore to the fresh water well bore.

~~7. Within seventy five (75) feet of a property line~~

87. Within a public park or other public right of way without the prior consent of the City Council.

The distance shall be calculated from the well bore, in a straight line, without regard to intervening structures or objects, to the closest exterior point of any object listed in 1) through 6) above.

C. Installation of pipelines on, under or across public property including rights of way, parks and other locations

The Operator shall apply to the City for a Bedford City Council approved agreement to install pipeline(s) on, over, under, along or across the City streets, sidewalks, alley, rights-of-way and other City property for the purpose of constructing, laying, maintaining, operating, repairing, replacing and removing pipelines so long as production or operations may be continued under any Gas Well Permit issued pursuant to this Chapter. Operator shall:

1. Not interfere with or damage existing water, sewer or gas lines or the facilities of public utilities located on, under or across the course of such rights-of-way.
2. Furnish to the Director of Development a plat showing the location of such pipelines.
3. Construct such lines out of pipe in accordance with the City codes and regulations consistent with Barlow's Formula for proper casing and ventilation.
4. Grade, level and restore such property to the same surface conditions, as nearly as practicable, as existed when operations for the placement of the pipeline were first commenced.
5. Comply with all City ordinances.
6. Reference all provisions of Article X of this ordinance.

7. Streets or alleys may not be blocked, encumbered or closed due to any operation unless prior consent is obtained by the City of Bedford using the street closure process in place through the City Public Works Department.

Section 8.02 Fences, Walls, Screening

- A. **Fences/Walls.** Fences shall not be required on drill sites during initial drilling, completion or re-working operations as long as 24-hour on-site supervision is provided. A secured entrance gate shall be required. All gates are to be kept locked when the Operator or his employees are not within the enclosure. Within thirty (30) days after production has been established, all operation-sites shall be completely enclosed by a masonry screening of a minimum of six (6) feet and not to exceed eight (8) feet in height according to the requirements of the requested Gas Well Permit. [Masonry materials shall conform to those described in Section 5.5 of the City of Bedford Zoning Ordinance and be approved the Building Official.](#)
- B. **Gate specifications.** All fences shall be equipped with at least one (1) gate. The gate shall meet the following specifications:
 1. Primary gate opening shall be not less than twenty (20') feet wide. Gate opening requirements may be met by two swing gates or one (1) sliding gate or approved combinations thereof. Alternative gate openings, if provided, may be of a lesser width but not less than twelve (12) feet wide. If two (2) gates are used, gates shall latch and lock in the center of the span;
 2. The gates shall be provided with a combination catch and locking attachment device for a padlock, and shall be kept locked except when being used for access to the site; and
 3. Operator must provide the Fire Marshal with a "Knox Padlock" or "Knox Box with a key" to access the well site to be used only in case of an emergency. Knox box locations and Knox lock locations must be placed in a location and manner approved by the Fire Marshal.

Section 8.03 Cleanup and Maintenance

- A. **Cleanup after well servicing.** After the well has been completed or plugged and abandoned, the Operator shall clean the drill site or operation-site, complete restoration activities and repair all damage to ~~public~~all property caused by such operations within thirty (30) days.
- B. **Clean-up after spills, leaks and malfunctions.** After any spill, leak or malfunction, the Operator shall remove or cause to be removed to the satisfaction of the Fire Marshal and

the Building Official all waste materials from any public or private property affected by such spill, leak or malfunction. Clean-up operations must begin immediately. If the owner fails to begin site clean-up within twenty-four (24) hours, the City shall have the right to contact the Railroad Commission in order to facilitate the removal of all waste materials from the property affected by such spill, leak or malfunction.

- C. **Free from debris.** The pad site, production-site and all related areas shall at all times be kept free of debris, pools of water or other liquids, contaminated soil, weeds, brush, trash or other waste material including those areas around any separators, tanks and producing wells. The public street entrance and adjacent public streets shall be kept free of mud, dirt, debris, liquids or any other materials which create an unsightly appearance or which pose a hazard to traffic. All such materials shall be removed immediately and measures taken to prevent an unsafe condition from occurring on the roadway. Upon notice from the City of a hazardous street condition caused by the Gas Well or an operation attached thereto, the Operator shall immediately take action to remove the hazardous condition and to prevent a recurrence. The City shall have the authority to remove any mud, debris or other materials that are creating a hazard to transportation from the public rights-of-ways at the expense of the Operator, if the Operator is not able to immediately resolve the condition.
- D. **Painting.** All production equipment shall be painted and maintained at all times, including wellheads, pumping units, tanks, and buildings or structures. When requiring painting of such facilities, the Inspection Services Provider shall consider the deterioration of the quality of the material of which such facility or structure is constructed, the degree of rust, and its appearance. Paint shall be of a neutral color, compatible with surrounding uses. Neutral colors shall include sand, gray and unobtrusive shades of brown, or other neutral colors approved by the Building Official.
- E. **Blowouts.** In the event of the loss of control of any well, Operator shall immediately take all reasonable steps to regain control regardless of any other provision of this Ordinance and shall notify the ~~Building Official~~Fire Marshal as soon as practicable. The ~~Fire Marshal~~Building Official shall certify in writing, briefly describing the same, to the official designated by the City Manager. If the ~~Fire Marshal~~Building Official, in his opinion, believes that danger to persons and property exists because of such loss of well control and that the Operator is not taking or is unable to take all reasonable and necessary steps to regain control of such well, the ~~Fire Marshal~~Building Official may then employ any well control expert or experts or other contractors or suppliers of special services, or may incur any other expenses for labor and material which the ~~Fire Marshal~~Building Official deems necessary to regain control of such well. The City shall then have a valid lien against the interest in the well of all working interest owners to secure payment of any expenditure made by the City pursuant to such action of the Building Official in gaining control of said well.

Section 8.04 Plugged and Abandoned Wells

- A. **Surface requirements for plugged and abandoned well.** Whenever abandonment occurs pursuant to the requirements of the Railroad Commission, the Operator so abandoning shall be responsible for the restoration of the well site to its original condition as nearly as practicable, in conformity with the regulations of this Ordinance.
- B. Abandonment shall be approved by the Building Official after restoration of the drill site has been accomplished in conformity with the following requirements at the discretion of the Building Official:
1. The derrick and all appurtenant equipment thereto shall be removed from drill site;
 2. All tanks, towers, and other surface installations shall be removed from the drill site;
 3. All concrete foundations, piping, wood, guy anchors and other foreign materials regardless of depth, except surface casing, shall be removed from the site, unless otherwise directed by the Railroad Commission;
 4. All holes and depressions shall be filled with clean, compactable soil;
 5. All waste, refuse or waste material shall be removed from the drill site; and
 6. During abandonment, Operator shall comply with all applicable sections in this Ordinance.
- C. **Abandoned well requirement.** The Operator shall furnish the following at the discretion of the Building Official:
1. A copy of the approval of the Railroad Commission confirming compliance with all abandonment proceedings under the state law; and
 2. A notice of intention to abandon under the provisions of this section and stating the date such work will be commenced. Abandonment may then be commenced on or subsequent to the date so stated.
- D. **Abandonment requirements prior to new construction.** All abandoned or deserted wells or drill sites shall meet the most current abandonment requirements of the Railroad Commission prior to the issuance of any building permit for development of the property. No structure shall be built over an abandoned well.
- E. The Operator can only abandon a well if the Office of the Building Official has reviewed and approved the abandonment and all appropriate Railroad Commission and City abandonment requirements have been met.

ARTICLE IX

TECHNICAL ADVISOR

Section 9.01 Technical Advisor

The City may from time to time employ a technical advisor or advisors who are experienced and educated in the gas industry or the law as it pertains to gas matters. The function of such advisor(s) shall be to advise, counsel or represent the City on such matters relating to gas operations within the City as the City may want or require and the effect thereof, both present and future, on the health, welfare, comfort and safety of the citizens of the City. In the event such Technical Advisor(s) is employed for the purpose of advising, counseling or representing the City relative to an Operator's unique and particular set of circumstances, case or request relating to this Ordinance, then the cost for such services of such technical advisor(s) shall be assessed against and paid for by such Operator in addition to any fees or charges assessed pursuant to this Ordinance. Prior to the employment of a Technical Advisor, the City shall inform the Operator of the intended scope of work and the estimated costs and expenses. The employment of a Technical Advisor shall be approved by the City Council.

ARTICLE X

GAS PIPELINE INSTALLATION

Section 10.01 Public Right-Of-Way Use Agreement Requirements

A Public Right-Of-Way Use Agreement shall be required prior to any gas pipeline construction within the City. The Public Right-Of-Way Use Agreement shall include, but is not limited to the following information:

- (a) The Company/applicant name, phone number, fax number, physical address, and, if possible, email address; if the operator is a corporation, the State of the incorporation, and if the operator is a partnership, the names and addresses of the general partners shall be provided.
- (b) Detailed mapping of location and extent of proposed use within public right-of-way.
- (c) A traffic safety and management plan as required by the Public Works Department.
- (d) Bonds in the amount of the cost of work or \$50,000, whichever amount is greater. Such bonds shall guarantee:
 - (1) the faithful performance and completion of all construction, maintenance, removal or repair work in accordance with the contract between Company and the contractor;

- (2) full payment for all wages for labor and services and of all bills for materials, supplies and equipment used in the performance of that contract;
- (3) that Company shall restore the right-of-ways affected by such cut, opening, or other excavation in a satisfactory and workmanlike manner; and
- (4) maintain such restoration work in a state of repair satisfactory to the City for a period of two years following the date the City approves the restoration; and fully comply with the City's ordinances governing excavation in the public rights-of-ways. If the Company meets its obligations under this Section, the City shall return the bond to the Company upon expiration of the two-year period. The bonds shall name both the City and Company as dual obliges.

Section 10.02 Fees and Payments to City

The following fees shall be due to the City prior to any pipeline construction.

- A. **Application Fee.** Company shall pay the City an Application Fee. This fee shall be collected at the time Company both applies for a permit to construct gas pipelines within the City and submits Gas Pipeline Construction Plans.
- B. **Rights-of-Way Uses Fee.** Company shall pay a Rights-of-Way Uses Fee. This fee shall be collected on or prior to the Effective Date of the Agreement, and annually thereafter, Company shall pay the City as compensation for its use of the Public Rights-of-Ways for the Term of this Agreement in a "per linear foot fee" based on the linear foot of gas pipeline proposed to be constructed within the City ("License Fee").
- C. **Construction Plan Review Fee.** Company shall pay a Construction Plan Review Fee. This fee shall be collected on or prior to constructing any gas pipelines with the City for Gas Pipeline Construction Plan review.
- D. **Inspection Fee.** Company shall pay an Inspection Fee. This fee shall be collected on or prior to constructing any gas pipelines within the City for inspection of gas pipeline construction.
- E. **Other Payments and Interest.** In addition to the above referenced fees, the Company shall pay the City all sums which may be due the City for property taxes, license fees, permit fees, or other taxes, charges or fees that the City may from time to time impose on all other similarly situated entities within the City.

Section 10.03 Regulatory Authority of the City

A Company's property and operations here under shall be subject to such regulation by the City as may be reasonably necessary for the protection or benefit of the general public. In this connection, Company shall be subject to, governed by and shall comply with all applicable federal, state and local laws, including all ordinances, rules and regulations of the City, as same may be adopted and amended from time to time.

Section 10.04 Use of Public Rights-Of-Ways

The City has the right to control and regulate the use of the Public Rights-of-Ways, public places and other City-owned property and the spaces above and beneath them. Company shall comply with all applicable laws, ordinances, rules and regulations, including, but not limited to, City ordinances, rules and policies related to construction permits, construction bonds, permissible hours of construction, operations during peak traffic hours, barricading requirements and any other construction rules or regulations that may be promulgated from time to time.

- (a) Pipelines shall not be erected, installed, constructed, repaired, replaced or maintained in any manner that places an undue burden on the present or future use of the Public Rights-of-Ways by the City and the public. If the City reasonably determines that the Pipeline does place an undue burden on any portion of the Public Rights-of-Ways, Company, at Company's sole cost and expense and within a reasonable time period specified by the City, shall modify the Pipeline or take other actions reasonably determined by the City to be in the public interest to remove or alleviate such undue burden.
- (b) Prior to the undertaking of any kind of construction, installation, maintenance, removal, repairs or other work that requires the excavation, lane closure or other physical use of the Public Rights-of-Ways, Company shall, except for work required to address an emergency, provide at least forty-eight (48) hours advance written notice to the owners of property adjacent to the Public Rights-of-Ways that will be affected. In the case of emergencies, Company shall provide notice to the affected landowners within twenty-four (24) hours after commencement of work.
- (c) During any such work, Company shall provide construction and maintenance signs and sufficient barricades at work sites to protect the public. The use of such traffic control devices shall be consistent with the standards and provisions of Part VI of the Texas Manual on Uniform Traffic Control Devices. Company shall utilize appropriate warning lights at all construction and maintenance sites where one or more traffic lanes are closed or obstructed during nighttime conditions. Company shall plan and execute construction of the pipeline so that no flood conditions are created or worsened on the surrounding land. To minimize erosion, the excavated portion of the rights-of-ways adjacent to the improved portion of the road shall be restored and re-vegetated in accordance with Exhibit "C" which specifies the appropriate grass seed mix to be used.
- (d) Company shall bury or have buried its pipeline facilities at least four feet (4') deep except underneath public roads. Underneath public roads, Company's pipeline facilities shall be at least seven feet (7') below the lowest point in such road pavement. When pipeline facilities can not be bored, during backfill of the pipeline excavation, "Buried Pipeline" warning tape shall be buried one foot (1') above the pipeline to warn future excavators of the presence of the pipeline. Any deviation to the minimum depth requirement must be approved in writing by the ~~City Engineer~~Director of Public Works.
- (e) Isolation Valves – The number and location of isolation valves on the Pipeline shall be approved by the City and clearly indicated on the Construction Plans.

- (f) Marking of Pipeline – The Pipeline shall be marked, in a manner that is reasonably acceptable to the Inspection Services Provider, to show conspicuously Company’s name, a toll-free telephone number of Company that a Person may call for assistance and the appropriate Texas One Call System telephone number. Other provisions notwithstanding, an identifying sign shall be placed at each point where a flow line or gathering line crosses a public street or road.
- (g) Pavement Cut Coordination and Additional Fees – The City shall have the right to coordinate all excavation work in the Public Rights-of-Ways in a manner that is consistent with and convenient for the implementation of the City’s program for street construction, rebuilding, resurfacing and repair. To preserve the integrity of the Public Rights-of-Ways, Company shall not cut, excavate or otherwise breach or damage the surface of any paved Public Rights-of-Ways within 96 months following the construction or resurfacing of said Public Rights-of-Ways unless Company obtains written consent from the Director of Public Works, which consent shall not be unreasonably withheld, pays an additional fee agreed to by and between the parties, and restores the Public Rights-of-Ways in accordance with this Agreement.
- (h) Restoration of Public Rights-of-Ways and Property – Company, at Company’s sole cost and expense, and in a manner approved by the City, shall promptly restore any portion of the Public Rights-of-Ways, City-owned property or other privately-owned property that are in any way disturbed or damaged by the construction, operation, maintenance or removal of any of the Pipeline to, at Company’s option, as good or better a condition as such property was in immediately prior to the disturbance or damage. Company shall diligently commence such restoration within thirty (30) calendar days following the date the Company first became aware of the disturbance or damage or, if the Pipeline is being removed, within thirty (30) calendar days following such removal. Any private service/utility lines that are in any way disturbed or damaged by the Company’s construction, operation, maintenance or removal of any of the Pipeline, shall be repaired at the Company’s sole cost and expense within 24 hours.
- (i) Relocation of Pipeline – Within forty-five (45) calendar days following a written request by the City, Company, at Company’s sole cost and expense, shall protect, support, disconnect, alter or remove from the Public Rights-of-Ways all or any portion of its Pipeline due to street or other public excavation, construction, repair, grading, regarding or traffic conditions; the installation of sewers, drains, water pipes or municipally-owned facilities of any kind; the vacation, construction or relocation of streets or any other type of structure or improvement of public agency; any public work; or any other type of improvement necessary, in the City’s sole discretion, for the public health, safety or welfare. If Company reasonably requires more than forty-five (45) days to comply with the City’s written request, it shall notify the City Manager in writing within ten (10) days of receiving notice and the City will work in good faith with Company to negotiate a workable time frame. Any relocation will require that the Public Works Department, at

Company's expense, approve Company's plans. It is the desire of both parties to determine such relocation within the existing Public Rights-of-Ways.

(j) Emergencies

1) Work by the City – A public emergency shall be any condition which, in the reasonable opinion of the officials specified herein, poses an immediate threat to life, health or property and is caused by any natural or manmade disaster, including, but not limited to, storms, floods, fires, accidents, explosion, water main breaks and hazardous materials spills. In the event of a public emergency, the City shall have the right to take whatever action is deemed reasonably appropriate by the City Manager or Fire Chief, or their authorized representatives, including, but not limited to, action that may result in damage to the Pipeline, and Company hereby

(i) releases the City, its officers, agents, servants, employees and subcontractors from liability or responsibility for any Damages that may occur to the Pipeline or that Company may otherwise incur as a result of such necessary response, and

(ii) agrees that Company, at Company's sole cost and expense, shall be responsible for the repair, relocation or reconstruction of all or any of its Pipeline that is affected by such action of the City. In responding to a public emergency, the City agrees to comply with all local, state and federal laws, including, without limitation, any requirements to notify the Texas One Call System, to the extent that they apply at the time and under the circumstances. In addition, if the City takes any action that it believes will affect the Pipeline, the City will notify Company as soon as practicable so that Company may advise and work with the City with respect to such action.

2) Work by or on Behalf of Company – In the event of an emergency that directly involves any portion of the Pipeline and necessitates immediate emergency response work on or repairs, Company may initiate the emergency response work or repairs or take any action required under the circumstances provided that Company notifies the City as promptly as possible. After the emergency has passed, Company shall apply for and obtain a construction permit from the ~~DRC~~ Design Review Committee and otherwise fully comply with the requirements of this Agreement.

(k) Removal of Pipeline

1) Company obligated to Remove – Upon the revocation, termination or expiration without extension or renewal of an Agreement, Company's right to use the Public Rights-of-Ways under this Agreement shall cease and Company shall immediately discontinue the transportation of Gas in or through the City. Within

six (6) months following such revocation, termination or expiration and if the City requests, Company at Company's sole cost and expense, shall remove the Pipeline from the Public Rights-of-Ways (or cap the Pipeline, if consented to by the City), in accordance with applicable laws and regulations.

- 2) City's Right to Remove – If Company has not removed all of the Pipeline from the Public Rights-of-Ways (or capped the Pipeline, if consented to by the City) within six (6) months following revocation, termination or expiration of an Agreement, the City may deem any portion of the Pipeline remaining in the Public Rights-of-Ways abandoned and, at the City's sole option,
 - i) take possession of and title to such property or
 - ii) take any and all legal action necessary to compel Company to remove such property; provided, however, that Company may not abandon its facilities or discontinue its services within the City without the approval of the Commission or successor agency or any other regulatory authority with such jurisdiction.

- 3) Restoration of Property – Within six (6) months following revocation, termination or expiration of an Agreement, Company shall also restore any property, public or private, that is disturbed or damaged by removal (or, if consented to by the ~~city~~City, capping) of the Pipeline. If Company has not restored all such property within this time, the City, at the City's sole option, may perform or have performed any necessary restoration work, in which case Company shall immediately reimburse the City for any and all reasonable costs incurred in performing or having performed such restoration work.

Section 10.05 As-Built Plans and Maps

Company, at Company's sole cost and expense, shall provide the City with as-built plans of all portions of the Pipeline located in the City showing such Pipeline within ninety (90) calendar days following the completion of such Pipeline. Company shall supply the textual documentation of such as-built plans and maps in computer format as requested in writing by the City and shall otherwise fully cooperate with the City in ensuring that the Pipeline is accurately reflected in the City's mapping system. Scans or image files of the final drawing shall be sealed by the designing Engineer or other approved professional and delivered to the City in a file format compatible with the City's GIS system.

Section 10.06 Liability and Indemnification

- a) Liability of Company – Company shall be liable and responsible for any and all damages, losses, liabilities (joint or several), payments, obligations, penalties, claims, litigation, demands, defenses, judgments, lawsuits, proceedings, costs, disbursements or expenses (including, without limitation, fees, disbursements and reasonable expenses of attorneys, accountants and other professional advisors and of expert witnesses and costs of

investigation and preparation) of any kind or nature whatsoever (collectively “Damages”), which may arise out of or be in any way connected with

- i) the construction, installation, operation, maintenance or condition of the Pipeline or any related facilities or appurtenances;
 - ii) the transportation of Gas through the Pipeline;
 - iii) any claim or lien arising out of work, labor, materials or supplies provided or supplied to Company, its contractors or subcontractors with respect to the Pipeline; or
 - iv) Company’s failure to comply with any applicable federal, state or local law, ordinance, rule or regulation, except to the extent directly caused by the gross negligence or intentional misconduct of the City.
- b) Indemnification – COMPANY, AT COMPANY’S SOLE COST AND EXPENSE SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, BOARDS, COMMISSIONS, AGENTS, EMPLOYEES AND VOLUNTEERS (“INDEMNITEES”), FROM AND AGAINST ANY AND ALL DAMAGES WHICH MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH
- i) COMPANY’S CONSTRUCTION, INSTALLATION, OPERATION, MAINTENANCE OR CONDITION OF THE PIPELINE OR ANY RELATED FACILITIES OR APPURTENANCES;
 - ii) THE TRANSPORTATION OF GAS THROUGH THE PIPELINE;
 - iii) ANY CLAIM OR LIEN ARISING OUT OF WORK, LABOR, MATERIALS OR SUPPLIES PROVIDED OR SUPPLIED TO COMPANY, ITS CONTRACTORS OR SUBCONTRACTORS; OR
 - iv) COMPANY’S FAILURE TO COMPLY WITH ANY APPLICABLE FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION, ACTS; OR
 - v) THE NEGLIGENT ACT OR OMISSION(S) OF THE CITY, ITS OFFICERS AND EMPLOYEES.
- c) Assumption of Risk – Company hereby undertakes and assumes, for and on behalf of Company, its officers, agents, contractors, subcontractors, agents and employees, all risk of dangerous conditions, if any, on or about any City-owned or City-controlled property, including, but not limited to, the Public Rights-of-Ways.
- d) Defense of Indemnitees – If an action is brought against any Indemnitee by reason of any matter for which the Indemnitees are indemnified hereunder, the City shall give

Company prompt written notice of the making of any claim or commencement of any such action, lawsuit or other proceeding, and Company, at Company's sole cost and expense, shall resist and defend the same with reasonable participation by the city and with legal counsel selected by Company and specifically approved by the City, at City's own expense. In such an event, Company shall not admit liability in any matter on behalf of any Indemnitee without the advance written consent of the City.

Section 10.07 Insurance

Company shall procure and maintain at all times, in full force and effect, a policy or policies of insurance to provide coverage's as specified herein, naming the City as an additional insured and covering all public risks related to the use, occupancy, condition, maintenance, existence or location of the Public Rights-of-Ways and the construction, installation, operation, maintenance or condition of the Pipeline including the transportation of Gas through the Pipeline, as follows:

- a) Primary Liability Insurance Coverage
 - 1) Commercial General Liability: \$5,000,000 per occurrence, including coverage for the following:
 - i) Premises Liability;
 - ii) Independent Contractors;
 - iii) Products/Completed Operations;
 - iv) Personal Injury
 - v) Contractual Liability
 - vi) Explosion, Collapse and Underground Property Damage
 - 2) Property Damage Liability: \$1,000,000 per occurrence
 - 3) Automobile Liability:
\$1,000,000 per accident, including, but not limited to, all owned, leased, hired or non-owned motor vehicles used in conjunction with the rights granted under this Agreement.
 - 4) Worker's Compensation: As required by law; and, Employer's Liability as follows: \$1,000,000 per accident
- b) Requirements and Revisions to Required Coverage – The City may, not more than once every ~~five~~two years during the term of this Agreement, revise insurance coverage requirements and limits required by this Agreement. Company agrees that within ninety (90) days of receipt of written notice from the City, Company will implement all such

revisions reasonably requested by the City. The policy or policies of insurance shall be endorsed to provide that no material changes in coverage, including, but not limited to, cancellation, termination, non-renewal or amendment, shall be made without thirty (30) days prior written notice to the City. The policies and Certificate of Insurance provided to the city shall contain the following language:

CANCELLATION CLAUSE SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREFORE, THE ISSUING INSURER WILL PROVIDE THIRTY (30) DAYS WRITTEN NOTICE TO THE NAMED CERTIFICATE HOLDER.

- c) Underwriters and Certificates – Company shall procure and maintain its insurance with underwriters authorized to do business in the State of Texas and who are reasonably acceptable to the City in terms of solvency and financial strength. Within thirty (30) days following adoption of this Agreement by the City Council, Company shall furnish the City with certificates of insurance signed by the respective companies as proof that it has obtained the types and amounts of insurance coverage required herein. No construction shall commence until such certificates are received. In addition, Company shall, on demand, provide the City with evidence that it has maintained such coverage in full force and effect.
- d) Deductibles – Deductible or self-insured retention limits on any line of coverage required herein shall not exceed \$50,000 in the annual aggregate unless the limit per occurrence or per line of coverage, or aggregate is otherwise approved by the City.
- e) No Limitation of Liability – The insurance requirements set forth in this section and any recovery by the City of any sum by reason of any insurance policy required under this Agreement shall in no way be construed or affected to limit or in any way affect Company’s liability to the City or other persons as provided by this Agreement or law.

Section 10.08 Provision of Information

- a) Filings with Commission – Company shall, upon request, provide copies to the City of all documents which Company files with or sends to the Commission concerning or related to its transportation of Gas through or other operations in the City, including, but not limited to, filings related to
 - i) rules, regulations and policies requested, under consideration or approved by the Commission; and
 - ii) applications and any supporting pre-filed testimony and exhibits filed by Company or third parties on behalf of Company, on the same date as such filings are made with the Commission. In addition, Company shall provide the city with copies of records, documents and other filings that Company is required to maintain or supply to the Commission under any applicable state or federal law, rule or regulation.

- b) Lawsuits – Company shall provide the City with copies of all pleadings in all lawsuits to which Company is a party and that pertain to the granting of this Agreement and/or the transportation of Gas through the city within thirty (30) days of Company’s receipt of same.

ARTICLE XI

PENALTY

Section 11.01 Penalty

- A. It shall be unlawful and an offense for any person to do the following:
1. Engage in any activity not permitted by the terms of a Gas Well Permit issued under this Ordinance.
 2. Fail to comply with any condition set forth in a Gas Well Permit issued under this Ordinance; or
 3. Violate any provision or requirement set forth under this Ordinance.

2.

Any person, firm, corporation, agent or employee thereof who violates any of the provisions of this ordinance shall be guilty of a misdemeanor and upon conviction thereof shall be fined an amount not to exceed Two Thousand (\$2,000) dollars per day for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

3.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Bedford, and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

4.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

5.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City

official or employee charged with the enforcement of this ordinance, acting for the City of Bedford in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

6.

A suit filed in the name of the City of Bedford in a court of competent jurisdiction can enjoin any violation of this ordinance, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Bedford.

7.

The caption and penalty clause of this ordinance shall be published in a newspaper of general circulation in the City of Bedford, in compliance with the provisions of Article VII, Section 15, of the City Charter. Further, this ordinance may be published in pamphlet form and shall be admissible in such form in any court, as provided by law.

8.

This ordinance shall become effective ten days after first publication as described above.

PRESENTED AND PASSED on First and Final Reading this ____ day of _____ 2007, by a vote of ___ ayes, ___ nays and ____ abstentions, at a regular meeting of the City Council of the City of Bedford, Texas.

Jim Story, Mayor

ATTEST:

Shanae Jennings, City Secretary

APPROVED AS TO FORM:

Stan Lowry, City Attorney