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ORDINANCE NO. 8404
AN ORDINANCE REQUIRING A PERMIT FOR THE DRILLING OF AN OIL AND/OR GAS WELL IN THE CITY OF EAGLE LAKE; ESTABLISHING STANDARDS FOR INSURANCE AND DENIAL OF SAID PERMIT; ESTABLISHING INSURANCE AND BOND REQUIREMENTS; PROVIDING FOR REGULATION OF DRILL SITES DURING DRILLING OPERATIONS AND AFTER ABANDONMENT; PROVIDING DEFINITIONS; PROVIDING SEVERABILITY; PROVIDING FOR REPEAL; AND PROVIDING A PENALTY.

WHEREAS, the Eagle Lake City Council has become aware of the increased drilling of oil and gas wells to greater depths in the Eagle Lake area resulting in increased pressure of subsurface gasses, and

WHEREAS, the Eagle Lake City Council feels the enactment of an ordinance controlling drilling of oil and gas wells in the City of Eagle Lake is necessary to protect the health, safety, morals and welfare of the City and its inhabitants as well as preserve the aesthetic values of the City of Eagle Lake and at the same time prevent the placement of unreasonable restraints on mineral producers. Now, Therefore,

IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF EAGLE LAKE:

A. DEFINITIONS:

For the purposes of this Section, all technical or oil and gas industry words or phrases used herein and not specifically defined herein shall have that meaning customarily attributed to them by the oil and gas industry. The following words and terms wherever and whenever used or appearing in this chapter shall have the scope and meaning hereinafter defined and set out in connection with each:

(1) **Applicant** shall mean any person who applies for a drilling permit hereunder.

(2) **Approved, Approved Type, or Approved Design**, is and includes improvements, equipment or facilities of a type or design approved by the City Manager.

(3) **Building Permit** shall mean the ordinance of the City of Eagle Lake known by that title and all amendments thereto.

(4) **Completion of Drilling** shall mean that work at the well site for drilling or completing the well is permanently suspended.

(5) **Derrick** shall mean any structure, improvement, equipment, machinery or facility, and each and every part thereof, whether completed or not, and which is required, or used or useful for or in connection with drilling, operation, or maintaining a well for the production of oil, gas or other hydrocarbons from the earth, together with all parts of and appurtenances to such structure, improvement, equipment, or facility, including, but not limited to, foundations and sills, derrick, pump houses, engine-houses, hoisting, pipe-racks, postings, walkways, mud-ditches, and crown block.

(6) **Diligence** shall mean that the drilling derrick is in the operating position over the well, and that an operating crew is on duty at the drill site at all reasonable times.

(7) **Drilling** shall mean entry onto the site with equipment and/or personnel for the specific purpose of actually opening a well hole intended to produce oil or gas.

(8) **Drill Site** shall mean the premises used during the drilling and subsequent life of a well or wells, which is necessary for the safe operations thereof.

(9) **Designated Agent** shall mean the designated agent of applicant or permittee.

(10) **Erect** shall mean to build, construct, install, assemble, put together, improve, alter, move, reconstruct, raise, remove, renovate or repair any building, structure, improvement or facility, or any part or portion thereof or foundations thereof, or appurtenance thereto, whether or not such building, structure, improvement or facility is completed, or to work upon, or in any way assist in such erection.

(11) **Flammable Liquids** shall mean and include oil and other fluid hydrocarbons, including liquefied gases or other flammable liquids, having a flash point below two hundred degrees Fahrenheit (220 degrees F). The flash point of all commodities shall be determined by standards established by the United States Bureau of Standards. All tests shall be in accordance with the methods adopted by the American Society for Testing Materials, and approved by the American Standards Association, or their successors.

(12) **Gas** shall mean the gaseous components or vapors occurring in or derived from petroleum or natural gas.

(13) **Lessee** shall mean the possessor of the right to explore and recover minerals from the premises.

(14) **Lessor** shall mean the owner of mineral rights.

(15) **Maintenance** shall mean and include the reworking, repair and replacement of parts of a structure when the repair or replacement does not alter or lessen the strength or stability of the structure.

(16) **Maintain** shall mean to repair, or otherwise keep or place in working condition, and also to permit, or authorize to exist, regardless of whether any actual maintenance work is done. For the purposes of this chapter, an oil well, well-hole, derrick and production equipment shall be deemed to be "maintained" upon the premises in and upon which the same were or are being drilled, erected or installed, until the following tasks are accomplished:

(a) Every part of such derrick shall be removed from the drill site.

(b) All requirements for abandonment established by the State and any other regulatory authority having jurisdiction must be met.

(c) All sumps, cellars, rotary mud, concrete, oil and rubbish must be removed and the drill site cleaned and all ditches must be leveled.

(d) All property of the City which may have been disturbed or damaged by the operations at the drill site shall be repaired and cleaned as needed and restored to substantially the same condition as existed at the time of the issuance of the permit.

(e) Reworking an existing well.

(f) **Occupied Structure** includes only those structures that are regularly occupied by persons

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at least 20 hours per week.

(18) Oil shall mean petroleum and other fluid hydrocarbons obtained from the earth.

(19) **Operate** shall mean to work or act upon, or to cause or permit others to act upon, or to act in connection with any structure, plant, equipment, machinery, or facility with the purpose of utilizing the same for the purpose for which it was or is erected or maintained or for any other purpose, and when used with reference to a well, well-hole, derrick or production equipment, means and includes any act or functions performed or permitted to occur in connection with such well, well-hole, derrick or production equipment from and after the completion of the drilling of the well, for the purpose of producing or obtaining oil, gas, or other hydrocarbons from the ground, and for the purpose of collecting and handling the same and making deliveries thereof at the well or from the shipping tanks or lease tanks in the vicinity of the well.

"Operate" includes all functions performed or permitted to occur in connection with such production, collection, handling and delivery, including the repair, reconditioning, restoration, perforating, redrilling or deepening of said well or well-hole, and the dehydration or cleaning of said oil prior to making such deliveries as aforesaid.

(20) **Operator** shall mean the person, whether owner, lessee, or independent contractor, actually in charge and in control of the drilling, maintenance, operation or pumping of a well or lease.

(21) **Owner** shall mean a person who has legal or equitable title to the surface of the drill site.

(22) **Permit or Drilling Permit** shall mean the written, typed or printed permission issued to an applicant by the City Manager under the authority of this chapter.

(23) **Permittee** shall mean any person to whom a permit has been granted and issued under and pursuant to the terms of this chapter by the City Manager.

(24) **Person** shall mean an individual; a receiver; a trustee; a partnership; a joint venture; a firm; an unincorporated association; a syndicate; a club; a society; a trust; a private corporation; a public corporation; a municipal corporation; a court, state or national government; a commission; a water district; a utility district; a political subdivision; and a drainage, irrigation, levee, reclamation, flood control, or water conservation district, whether acting for himself or itself or in any representative capacity.

(25) **Production Equipment** shall mean pumping equipment, tubing, pipes, gauges, meters, valves, oil and gas separators, sumps, flow tank, production tanks, shipping tanks, lease tanks, shipping pumps, loading racks and all other structures, machinery, equipment and facilities used for production of oil or gas.

(26) **Re-Drilling** shall mean the deepening of an existing well or otherwise drilling beyond the well's boundaries (to the side) of the existing well casing. The provisions of this ordinance regarding drilling shall be equally applicable to redrilling.

(27) **Structure** shall mean that which is built or constructed; a tank, edifice, or building of any kind.

(28) **Suspended Operations** shall mean the approved temporary suspension of drilling or other operations pending a resumption of operations or abandonment.

(29) **Tank** shall mean a container, covered, used in conjunction with the drilling or production of a well, for holding or storing liquids at or near atmospheric pressure.

(30) **Well Head** is composed of the broadhead, Christmas tree and all well connections.

B. PERMIT REQUIRED:
No person shall conduct any drilling or redrilling within the corporate limits of the City of Eagle Lake without having obtained a permit for said drilling or redrilling under this chapter.

C. APPLICATION REQUIREMENTS:
Applications for permits to drill or redrill any oil or gas well shall be made in writing to the City Manager of the City of Eagle Lake and shall include the following:

(1) The legal description of the proposed drill site and the legal description of the real property in the City which the applicant proposes to explore for oil and gas purposes with a map attached to the application, which map shall clearly show and outline the proposed drill site with reference to existing city street or city limits;

(2) A statement of what property the applicant has the right, by reason of ownership or permission of the owner, to pass through and enter for drilling purposes and a further statement that the applicant agrees, in finally locating the well, not to pass through or enter any property where he does not have such right;

(3) A plat of the proposed location showing type, kind, size, and amount of major equipment and a general description and the method of operation of the proposed well and a plat showing location and description of all improvements and structures within 1,000 feet of the well hole.

(4) The proposed method of handling and using any product proposed to be developed at the well site and the proposed method of disposing of all waste products anticipated, and the proposed route of any flow or gathering lines to remove products in the event of production as required by Paragraph (15).

(5) Each application shall be accompanied by an application fee of \$2,500.00.

(6) A map showing the proposed route and ways over which equipment and chemicals for use in the drilling operation will be brought to the drill site.

D. AUTHORITY TO HIRE:
The City Manager is authorized to engage a person qualified in petroleum engineering, petroleum geology, or the petroleum industry as necessary to enforce this ordinance.

E. BOND REQUIRED:
Prior to the issuance of any permit hereunder, the applicant shall furnish the City Manager with a bond in the principal sum of One Hundred Thousand and no-100 (\$100,000.00) Dollars per drill site. Such bond shall be executed by an insurance

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company authorized to do business in the State, as surety, and with applicant as principal naming the City for the benefit of the City conditioned that the permittee will comply with the terms and conditions of this chapter. In addition, the bond will be conditioned that the applicant will promptly pay fines, penalties and other assessments imposed upon applicant by reach of the breach of any of the terms, provisions and conditions of this chapter, and that the applicant will promptly restore to their former condition streets, sidewalks, and other public property which may be damaged in drilling operations; and that the applicant will comply with all fencing, screening and site restoration requirements of this chapter. If at any time the City Manager should find the applicant's bond to be insufficient for any reason, he may require to file a new bond.

F. NOTICE OF APPLICATION:
Notice of the filing of each application for a permit under this chapter shall be given by the applicant as follows: At the same time that the application is submitted, a copy of the notice in the form hereinafter prescribed shall be published at the cost of the applicant in one(1) issue of the official newspaper of the City. Such notice shall state the lot and block number of which the applicant is asking for a permit to drill and the date and place of hearing, and shall be in words and figures as follows:

"Notice is hereby given that _____, acting under the pursuant to the terms and provisions of Ordinance No. 8404, of the City of Eagle Lake, Texas, did, on the _____ day of _____, 19____, file with the City Manager of the City of Eagle Lake, an application for a permit to drill a well for _____ (state whether oil or gas) to a depth of _____ feet, upon (use legal description). All persons wishing to comment on this matter should sent written comments to:

City Manager
P.O. Box 35
Eagle Lake, Texas 77434

Comments should be received by _____ (10 days after publication date).

G. INSURANCE:
Prior to issuance of any permit hereunder, applicant shall furnish the City Manager with a certificate of insurance showing a valid policy or policies of public liability insurance covering bodily injuries and property damage. Said insurance shall be written by a company authorized to do business in this state. Such policies shall provide for the following minimum coverage:

(1) Bodily Injuries and general liability, one occurrence: \$10,000,000.00.

(2) Property damage: \$10,000,000.00.

Applicant shall also furnish City a waiver of subrogation.

H. WAIVER:
Bond and insurance requirements may not be waived.

I. DRILLING NEAR OCCUPIED STRUCTURES:
In each case of drilling or redrilling, the distance between any well hole to any permanently occupied structure shall be a minimum of 500 feet. The minimum distance may be lowered to 300 feet with the approval of adjacent landowners and residents. No well shall be drilled within 500 feet of the property line of any school in the Rice Consolidated Independent School District or any hospital, convalescent home or nursing home whether such school, hospital, convalescent home or nursing home is located within or outside the City of Eagle Lake.

It is hereby declared a nuisance for any person to conduct any drilling operation or to construct any storage tank or tanks within 500 feet of the property line of any school of the Rice Consolidated Independent School District or any hospital, convalescent home or nursing home located either within or outside the City limits of Eagle Lake.

J. STORAGE NEAR OCCUPIED STRUCTURES:
In each case the distance from any storage tank or tanks in conjunction with any well to any occupied structure shall be a minimum of 500 feet.

K. DRILLING AND STORAGE NEAR PUBLIC WAYS:
In each case the distance from the center of a well hole drilled under a permit issued under this ordinance and from all storage tanks installed after the effective date of this ordinance to the nearest traveled public or private street right-of-way shall be a minimum of 300 feet.

L. ACCESS ROUTES:
A vehicular access route to the site shall be established by the City Manager after consideration of all the circumstances, including but not limited to the existing width, load bearing capability, and composition of all streets proposed to be included in the access route; residential densities; potential interference with pedestrian and bicycle traffic; the presence of effective traffic control; and the general character of the areas through which the proposed access route would pass.

M. PERMITTEES PROPERTY:
The oil and gas well drilled pursuant to any drilling permit shall be drilled only within the properties which the permittee set forth in its application as the properties through which such well was proposed to pass unless the permittee secures approval of the City Manager to cause such well to pass through other properties.

No permittee shall drill, operate, or maintain any oil or gas well except in conformity with the terms and conditions of a permit issued under this chapter.

N. REPRESENTATIVE:
The applicant or permittee shall designate a competent representative who shall be responsible for the supervision of drilling operations and the carrying out of the permit conditions. A representative shall be available at all times during drilling operations and shall be the responsible contact agent of the applicant or the permittee

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whom the City Manager may require to carry out the provisions of the permit.

O. ON SITE REQUIREMENTS:
(1) The well location shall be clearly marked by staking or other suitable means and identified as the "drill site".

(2) Prior to commencement of any drilling operations all private roads used for access to the drill site and the drill site itself shall be surfaces so as to prevent excessive dust and mud and in a manner adequate to support the weight of mobile fire fighting equipment. Surfacing may be by boards, rock, gravel, or shell and maintained so as to prevent excessive dust and mud.

(3) Earthen pits shall not be dug on the drill site. Drilling mud, water, and other liquids shall be handled in steel tanks and removed from the drill site for disposal within 90 days after completion of drilling.

(4) Within 90 days after the conclusion of any drilling or rework operations, the drill site shall be cleaned of all equipment and machinery not needed to produce the well.

(5) Within 90 days of abandonment of any well, the well shall be promptly plugged in accordance with the applicable rules and regulations of the Railroad Commission of the State of Texas and the well site cleaned of all machinery, equipment, and other materials; and the surface restored as near as practical to its original condition.

(6) Each drilling site and production site from which oil and gas may be produced shall, with its surface facilities and storage tanks be enclosed by a substantial, smooth eleven (11) gauge or heavier galvanized steel net wire fence a minimum of six (6) feet in height and provided with barbed wire supporting arms and a minimum of three (3) strands of barbed wire installed at the top of each post and properly built so as ordinarily to prevent the entry of unauthorized persons into the enclosure, with all gates thereto to be kept locked when the permittee or his employees are not within the enclosure. Within six months of the effective date of this order, each producing drill site in the City together with its surface facilities and storage tanks will be enclosed by a fence as defined in this section.

(7) Each site shall be kept free of discarded and surplus material, supplies, and refuse, to the end that the premises shall at all times present an orderly and well kept appearance.

(8) Portable sanitation facilities (toilets) shall be provided on each drill site while operations are underway.

(9) Surface casing shall be set at a minimum of twenty five hundred (2,500) feet or to any greater depth required by the Railroad Commission below ground level or to a depth sufficient to protect all fresh water zones as directed by the Water Quality Control Board, whichever is the greater. Surface casing shall be cemented to the surface and the cement allowed to cure for a minimum of twelve (12) hours before drilling the plug. Surface pipe shall be pressure tested to fifteen hundred (1,500) psi before drilling the plug. A greater pressure may be required if sea deeper than 2,500 feet.

(10) Prohibited casing rams designed to fit the pipe or tubing or casing on which they are installed, shall be installed in the blowout preventer stack prior to running intermediate or production casing.

(11) Double ram and annular blowout preventers shall be installed and tested to their full working pressure prior to drilling below surface pipe. The blowout preventers shall be tested with clear water upon initial installation and shall be operated once each day thereafter to insure good working order. Handles shall be on blowout preventer at all times.

(12) Every drilling completion, and rework rig shall be equipped with a public alarm system capable of being heard at a distance of five hundred (500) feet. All residents within a five hundred (500) foot radius of the well shall be notified of the alarm and be given a demonstration of the system prior to commencing operations, and instructed in the action to take upon hearing the alarm.

(13) Permanent weatherproof signs reading "Dangerous. No Smoking Allowed" shall be posted at the entrance to each fenced well site, tank battery, etc.

(14) All wells shall be equipped with master valve Christmas tree except that wells with a 3,000 psi or greater shut in well head pressure shall be equipped with a double master valve Christmas tree.

(15) On all flow lines where pressures are less than one thousand (1,000) psi safety shut in devices shall be installed at the well heads that will stop flow from the well head if the pressure in the flow line rises or falls below predetermined operating limits. On all lines of one thousand (1,000) psi or more a second safety shut-in device shall be installed on the line.

(16) Two pressure relief valves shall be installed on all pressure vessels with discharge pipes no closer than fifteen (15) feet to the ground and placed so that all discharge is vertical.

(17) There shall be no gas flaring except in case of emergency and to allow necessary clean up. In all cases of flaring, except emergency, the permittee shall give twenty four (24) hour written notice to the City Manager stating the reason for the flaring. Flaring shall be done only between the hours of sunset and sunrise.

(18) In the case of emergency flaring the requirement for notification will be waived provided the permittee submits a sworn statement in detail the circumstances which required the emergency flaring. The statement shall be submitted within forty-eight (48) hours of the emergency to the City Manager for review.

(19) No tripping of the pipe shall be permitted between the hours of 12:00 midnight and 5:00 a.m.

(20) At all times during drilling operations or maintenance, the permittee shall maintain on the derrick as near the well hole as possible, a hydrogen sulfide (H₂S) detector device designed to sound an alarm in the event hydrogen sulfide is released into the atmosphere. The alarm shall conform to requirements of Section O (12) of this ordinance.

P. PERMITS NON-TRANSFERABLE:
All permits granted under this chapter shall be non-transferable.

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Q. PERMIT:
The drilling permit shall not become effective unless the permit is accepted by the applicant in its entirety in writing, filed with the City Manager within ten (10) days after the effective date thereof, and no work on such drill site shall be commenced until such permit is issued and accepted. The drilling permit shall become null and void unless drilling is commenced within 180 days of the effective date of the permit. Drilling operations shall be prosecuted in a diligent, workmanlike manner until the well is completed or abandoned. Once a well is a producing well, it shall not be serviced with a permanent derrick.

R. INDEMNITY:
The permittee shall indemnify and save harmless the City of Eagle Lake, its officers, agents and employees from any and all claims, causes of action and damages of every kind, for injury to or death to any person and damages to property arising out of the operation under any drilling permit and including acts or omissions of the City of Eagle Lake, its officers, agents, and employees in connection with said drilling permit.

S. EXTENSION:
Whenever a person holding a permit pursuant to the provisions of this article wishes to request an extension of the time within which drilling operations are required to be commenced to a period beyond one hundred eighty (180) days after the effective date of the permit, a request for such extension shall be filed with the City Manager in writing and be accompanied by a fee of one hundred (100) dollars for each well for which an extension is requested.

Such request for an extension shall set forth facts showing good cause for the City Manager to allow additional time for the completion of the permit. When good cause is shown, the City Manager shall grant an extension not to exceed an additional One Hundred Eighty (180) days.

T. COPIES OF RAILROAD COMMISSION PERMITS:
A copy of the "Potential" or "Plug and Abandon Report" of any well furnished to the Texas Railroad Commission shall be concurrently filed by the permittee with the City Manager. Prior to commencement of any drilling operation, the permittee shall deliver to the City Manager a copy of the State permit from the Texas Railroad Commission.

U. NOISE:
All drilling and production equipment installed or operated upon any drill site in the City of Eagle Lake during drilling operations or upon completion of a well, followed by production, shall be so constructed, operated, and maintained that no noise, vibration, odor, or other harmful or annoying substances or effects are emitted therefrom which can be eliminated or diminished by the use of modern and approved types of equipment and silencers.

At any drill site the operation of oil field, drilling or production equipment shall not generate an A Weighted noise level which when combined with the ambient noise level, will produce a combined noise level greater than 68 dBA at 400 feet averaged over a 24 hour period using a Community Noise Monitor instrument approved by the City Manager.

V. CLEANLINESS: All of the operations at the drill site shall be conducted in a careful and orderly manner, and the premises shall at all times be maintained in a neat, clean, and orderly manner.

All fire suppression equipment and prevention requires at the drill site shall be the responsibility and at the cost of the permittee.

W. AMERICAN PETROLEUM INSTITUTE STANDARDS:
All casing including surface protection and production strings shall meet or exceed the minimum internal pressure yield strength established under American Petroleum Institute standards.

Each joint and length of each particular casing string shall have prior to setting, unconcealingly passed a complete cold water test and the City Manager shall be furnished a copy of said test results.

X. TESTS:
It shall be unlawful for any person in connection with the drilling or reworking operations of any well within the city limits to complete any tests required by this section except during daylight hours. No tests shall be conducted without giving prior written notice to the City Manager twenty-four (24) hours in advance of the test stating the exact date, time and place the test is to be conducted. Failure to notify or conduct the test at the specified time and place is a violation for which the permit granted hereunder may be revoked.

Y. TUBING:
All tubing used in any well shall meet American Petroleum Institute Standards for minimum internal pressure yield strength.

Z. STORAGE TANKS:
A maximum of two (2) 50-barrel tanks not exceeding a height of ten (10) feet for storage may be constructed in connection with anyone producing well within the city limits. There shall be no limitation on the size or number of storage tanks that may be constructed in the area more than 1,000 feet from any occupied structure. Each tank shall be equipped with flame arrestors and shall be so constructed and maintained as to be vapor-tight. Each tank or tank battery shall also be surrounded with an earthen fire wall which shall at all times be free of vegetation and which shall be at such distance from the tanks as will be under any circumstances hold and retain at least one and one-half times the maximum capacity of such tank. The area outside each tank but contained within the earthen fire wall shall be properly drained at all times. A permittee may use, construct, and operate a steel conventional separator and such other steel tanks and appurtenances as are necessary for treating oil, and each of such facilities to be so constructed and maintained as to be vapor-tight. Each oil gas separator shall be equipped with both a regulation pressure relief safety valve and a bursting head.

AA. PLUGGING:
When a well is abandoned it shall be the obligation of the permittee and the operator of the well to plug said well in accordance with the requirements of the Texas Railroad Commission, providing, however, the operator of the well shall be required

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to place top plug from 0' to 10' below natural ground elevation.

BB. SALT WATER AND TOXIC MATERIAL:
The permittee shall remove all salt water and toxic material from site and dispose of it in an approved injection well or landfill in accordance with the requirements of the Texas Railroad Commission.

BB. SALT WATER AND TOXIC MATERIAL:
The permittee shall remove all salt water and toxic material from site and dispose of it in an approved injection well or landfill in accordance with the requirements of the Texas Railroad Commission. Disposal shall be made in a manner that will not contaminate the water supply, present or prospective, or injure the surface vegetation.

CC. INSPECTOR:
A well site inspector to be designated by the City Manager shall be responsible for the monitoring of drilling and production activities both at scheduled intervals and at any times he may deem necessary to ensure the public safety and to ensure compliance with the terms of this ordinance.

DD. PERIODIC INSPECTION:
If a well is placed in production, it shall be inspected periodically by the City Manager in accordance with the requirements of this ordinance. A notification of status change from producing well to abandoned well shall become necessary for any well which has not produced, or which has not been used for subsurface injection into the earth of oil or gas for a period of more than six (6) months. The permission to hold said well for a longer period of time is obtained from the Texas Railroad Commission. The operator, shall upon request of the City Manager furnish verification of production for the purposes of this subsection.

EE. ABANDONMENT:
If a well is to be abandoned, the following requirements are applicable:
(1) The City Manager shall determine that the site and all facilities pertinent thereto have been restored to their original condition as nearly as practicable, and that all requirements of this section have been satisfied.

(2) After abandonment of a well by the operator, the drilling permit will be terminated if, to the satisfaction of the City Manager, all the conditions stated in this ordinance have been fulfilled.

FF. SUSPENSION:
Any drilling permit may be suspended or revoked for any material violation of the conditions of the permit by the permittee or for persistent violation of the conditions of the permit by the permittee, such well. The City Manager shall not revoke a permit without first giving the permittee ten (10) days written notice of the nature of the violations and of the intention to revoke such permit. Permittee shall at once cease drilling operations after receipt of such notice to revoke this permit. If the permittee fails to comply with the notice, the City Manager shall grant a hearing before the City Manager, the City Manager shall grant such hearing within fifteen (15) days after the date of such request. At such hearing, evidence shall be presented to establish to the satisfaction of the City Manager the extent and nature of the violation which constitutes grounds for the revocation, and the permittee shall be given an opportunity to cross-examine all witnesses testifying at such hearing. The permittee shall be given an opportunity to be heard at that hearing, or at a continued hearing, if a continuance is requested by the permittee, to present evidence to disprove or explain such alleged violations, the City Manager shall have the duty of hearing all the evidence, determining whether or not the permit should be revoked, and his determination thereon shall be final. If the City Manager determines that the permit should be revoked, permittee may appeal the decision of the City Manager to the City Council in accordance with the ordinance of the City of Eagle Lake. In the event the City Council determines that said permit should be revoked, permittee shall have recourse to the appropriate courts of this state to review such action by said City Council and the substantial evidence rule shall apply.

GG. INVALIDITY:
That if any section, subsection, sentence, clause or phrase of this ordinance, or this application of same to particular set of persons or circumstances, should for any reason be held to be invalid, such invalidity shall in no wise affect the remaining portions of this ordinance, and the various portions and provisions of this ordinance are declared to be severable.

HH. CONFLICTS:
All ordinances or parts of ordinances in conflict herewith are hereby repealed.

II. DRILL SITE DESIGNATIONS:
Any person or lessor owning mineral rights beneath any property outside the City Limits of Eagle Lake but within the extra-territorial jurisdiction of the City of Eagle Lake shall enter into a drill site designation agreement or surface use agreement, designating the location of drill sites and routes for ingress and egress and if such designation meets the criterion for drill sites contained within this Section and is approved by the City Manager and placed of record in the Office of the County Clerk of the county in which the site is located. Thereafter the person or lessor may apply for a drilling permit at such site without further regard for drill site location.

The surface owner or his heirs and assigns, shall thereafter show the location of such drill site and access routes on any plat or subdivision of the surface as notice to the public of such site or sites.

JJ. MINIMUM DRILL SITE:
No drill site or production site shall ever be smaller than a square the sides of which shall each be at least 360 feet. No permits for construction of any structure will be granted within such 360 foot square unless such construction is related to the drilling or production activity of a permittee.

KK. USE OF CITY STREETS, EASEMENTS AND ALLEYS:
No Use All pipelines and related facilities erected or maintained by permittee within the City shall be located so as to cause minimum interference with the proper and intended use of the streets, easements and alleys and to cause minimum interference with the rights or reasonable convenience to the owners or occupants of property which adjoins any said street, easement or alley.