

Comparison of Current vs. Proposed Oil & Gas Well Regulations

	Current	Proposed
<i>Where is drilling permitted?</i>	Industrial zoning districts w/ approval of a Special Use Permit (SUP)	Any zoning district w/ approval of a Special Use Permit (SUP)
<i>Notice to surrounding property owners</i>	Drilling – 500 feet Pipelines – None specified in ordinance (staff notifies within 500 feet of proposed alignment).	Drilling – 600 feet Pipelines – 500 feet
<i>Application requirements</i>	SUP – none. Drilling permit – documents addressing safety and nuisance abatement unspecified.	SUP – Incident reports for wells drilled by operators; geologic report; alternative drilling locations; preliminary plans for site layout, proposed pipeline alignments and other accessory equipment; noise, lighting, landscaping, risk assessment, hazard mitigation, and emergency response. Drilling, Production, Re-work, Pipeline, and Pump Station Permits – Final plans of all items previously noted.
<i>Distancing, Spacing & Setbacks for Drilling</i>		
<i>Well bore to protected use*</i>	350 feet	600 feet
<i>Battery tanks to protected use*</i>	250 feet	300 feet
<i>Well bore to off-site building or structure</i>	300 feet	300 feet
<i>Battery tanks to off-site building or structure</i>	200 feet	300 feet
<i>Well bore to fresh water well</i>	None	200 feet; if water well services multiple parties, then the setback may be increased by the City
<i>Drill site to street</i>	None	50 feet
<i>Well to well</i>	50 feet	Per applicable requirements.
<i>Distancing, Spacing & Setbacks from Pipelines</i>	None	None; However, as part of the overall code revisions, staff is reviewing areas for pipeline corridors for transmission lines and potential ordinance requirements for uses and structures within the vicinity of transmission lines.
<i>Noise levels</i>	None specified for drilling operations.	Provide ambient noise level study -or- meet requirement not to exceed 70 decibels for drilling operations, not to exceed 55 decibels during the daytime & 45 decibels during the nighttime for production and pump stations operations.

<i>Minimum landscaping & screening requirements</i>	50-foot buffer yard with required plantings.	50-foot buffer yard with required plantings prior to the production phase. Applicant required to provide plan showing how production equipment will be screened based upon surrounding property.
<i>Traffic circulation</i>	None	Access management plan to be approved by Public Works Director.
<i>Access maintenance fee</i>	None	Fee to cover anticipated annual costs for city road access maintenance and cleaning.
<i>Technical review by oil & gas industry experts [city consultant]</i>	None	Provision for review at SUP, drilling & production phases; City will choose consultant and applicant will reimburse the city for the costs.
<i>Inspections</i>	One-time inspections of buildings and structures for conformance with Building & Fire Codes. But, no specific inspection protocol for the wells, rigs and tanks.	Drilling operations – weekly inspections and annual reports; Production & pipeline operations – quarterly inspections and annual reports
<i>Penalties</i>	Revocation of SUP and drilling permit	Revocation of SUP, drilling and production permits. Fines – \$1,000 for non-culpable mental state; \$2,000 for culpable mental state.
<i>Abandonment</i>	None	Restore the site to the same or better condition.
<i>Insurance requirements</i>		
<i>Public liability</i>	\$100,000 per person and \$300,000 per accident; min. \$25,000 per property damage accident	None
<i>Commercial general liability</i>	None	\$1 million per occurrence
<i>Umbrella liability</i>	None	\$10 million per occurrence
<i>Environmental pollution</i>	None	\$5 million per loss
<i>Control of well</i>	None	\$10 million per occurrence; \$500,000 sub-limit endorsement
<i>Workers' compensation</i>	None	Texas Statutory limits
<i>Employers Liability</i>	None	\$500,000 per accident
<i>Automobile liability</i>	None	\$1 million per occurrence
<i>Permit expiration</i>	None	SUP – 1 year if drilling has not commenced. Drilling and production permits – 180 days if drilling or production has not commenced. Pipeline permit – 180 days if installation has not commenced.

**Protected use: Residential dwelling unit, religious assembly building, hospital building, public or private park, public or private school boundary or day care boundary*