

CHAPTER 16

OIL AND GAS DRILLING

Article 1. General Provisions.

Article 2. Regulatory Provisions.

Article 3. Penalty.

Article 1. General Provisions

Section 16-1. Definitions.

For the purpose of this Chapter, the words and phrases as defined in this Section and as used in this Chapter shall have and be construed to have and include the following meanings

1. Oil Well. The ordinary and accepted meaning of such expression or name, and in addition thereto, the term shall also include a natural gas well, casinghead gas well and salt water well.

2. Person. In both the singular and plural, the term shall have the ordinary and accepted meaning of the word person, including the plural, and in addition thereto, shall include any individual, partnership, association, corporation or any other entity operating as a person, partnership, association or a corporation.

Sections 16-2 through 16-9. (Reserved for future use.)

Article 2. Regulatory Provisions

Section 16-10. Drilling Permits.

It shall be unlawful for any person, firm or corporation to drill any well for the production of petroleum or natural gas within the City of Hollis, Oklahoma, unless a permit for the drilling of the well shall have been first obtained, as hereinafter provided.

Section 16-11. Fee.

The fee for drilling or putting down each well for the purpose of producing oil and/or gas within the City of Hollis, Oklahoma, shall be fifty dollars (\$50.00); no permit shall be used without payment of such fee.

Section 16-12. Drilling Restrictions; Hearings.

1. It shall be unlawful for any person, firm or corporation to drill or put down more than one (1) petroleum or gas well upon any block. The term "block", as used in this Article, means one (1) continuous tract of land of not less than two and one-half (2-1/2) acres. Upon application of any owner, lessee or other interested person, firm or corporation in any City block of less than two and one-half (2-1/2) acres, the tract may be attached to an adjoining block or part of block for the purpose of drilling a well and the owners participate in the well in proportion to the land owned by each.

2. Before any permit for the drilling or putting down of any petroleum or gas well is issued, a written application therefore, signed by the applicant or some person in his behalf, shall state the block and the exact location thereon where the proposed well will be drilled. There shall be attached thereto copies of all the leases or contracts with the owners of the property in such block or blocks which are controlled or owned by the applicant,

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and abstracts showing that said property is owned by said lessors.

3. If the applicant does not have the entire block or tract under lease, but owns, controls or has under lease not less than fifty-one percent (51%) of all the property within such block or tract, the City Council, after giving notice and conducting hearings as hereinafter provided, shall have authority to determine the equities and grant a proper permit for drilling a well upon such block or tract. Before granting such permit, notice by registered mail shall be given to all known owners not less than ten (10) days prior to the date and place of hearing, which shall be set out in the notice. If the address of any owner is unknown, upon affidavit duly filed setting out the inability on the part of the applicant to obtain service upon such unknown owner notice shall be given by publication, in five (5) issues of the local newspaper, a legal publication, proof of which must be filed before hearing the application, and shall describe the property affected upon which the application is to be heard, and shall fix the date of the hearing thereon, which shall not be less than ten (10) days after the date of the last publication. The notice shall be dated and signed by the Mayor. At such hearing, the City Council shall examine all witnesses under oath, keep a record of the proceedings, make any requirements, regulations or orders which may be necessary, proper or equitable for all persons interested therein and shall protect and safeguard the rights of all parties affected by such order. Any party affected by such order may appeal within ten (10) days to the District Court.

Section 16-13. Compliance with Laws and Ordinances.

It shall be unlawful for any person, firm or corporation to drill or put down any petroleum or natural gas well, or to erect, maintain, operate or permit to exist any such well, structure, equipment pipe line, machinery, tank or other appurtenance in violation of any of the ordinances of the City of Hollis, Oklahoma, or the Laws of the State of Oklahoma, or in violation of any of the regulations, rules or orders of the Corporation Commission of the State of Oklahoma.

Section 16-14. Bond Required.

No permit for the drilling or putting down a petroleum or natural gas well shall be issued to any person, firm or corporation, until there shall be filed with the City Clerk, a good and sufficient bond covering each well in the sum of twenty-five thousand dollars (\$25,000.00), conditioned that the applicant will pay and discharge any liability imposed by law for damages, on account, of injury to property, either private or public.

Sections 16.15 through 16-24. (Reserved for future use.)

Article 3. Penalty.

Section 16-25. Penalty.

Any person, firm or corporation who violates any provisions of this Chapter shall be guilty of an offense and, upon conviction thereof, shall be punished by fine and costs as provided for in Section 9-34 of this Code. Each day upon which a violation continues shall be deemed a separate offense.