

**CITY COUNCIL CONFERENCE**

**MUNICIPAL BUILDING CONFERENCE ROOM  
201 WEST GRAY, NORMAN, OK**

**AUGUST 26, 2014**

**5:30 P.M.**

**DISCUSSION REGARDING OIL AND GAS WELL SITE SECURITY AND  
FENCING.**



# office memorandum

**TO:** Mayor and Council Members

**FROM:** Susan Connors, AICP, Director, Planning and Community Development Department

**DATE:** August 21, 2014

**RE:** Oil and Gas Well Site Security and Fencing

## **BACKGROUND**

At the November 13, 2013 Oversight Committee meeting the committee members discussed oil well site security. The Committee requested that staff prepare information on the City of Norman's well site safety policy. Staff prepared a report on this that was distributed to City Council members in December, 2013. This topic was then placed on the Oversight Committee's May 14, 2014 agenda. At that meeting Staff presented background information on the history of the City's oil well site security and fencing ordinance. Changes to the current ordinance regarding fencing, screening, and security were discussed by the Oversight Committee.

The Committee discussed and supported fencing around well sites and directed Staff to draft a revised Ordinance incorporating the requested changes as well as a phasing-in period requiring older well sites to comply. The Committee also requested information regarding the average cost for fencing around well sites. Staff was also asked to get feedback from those in the affected industry. The Committee requested Staff bring back information to a future Council Conference.

## **DISCUSSION**

### **I. Requested Ordinance Amendments**

The Committee requested that Staff draft a revised Ordinance amending Section 13-1508(c) by incorporating the following changes:

1. Require six (6)-foot tall chain-link fencing with three (3) strands of barbed wire at the top around all wells and tank batteries;
2. Require landscaping to screen well sites when visible from a public street;
3. Identify the well operator as the party responsible for maintaining the fencing;
4. Clarify that fencing shall not be required on drill sites during initial drilling, completion, or reworking operations as long as twenty-four (24) hour onsite supervision is provided. However, a secured entrance gate on the

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access road containing a lock (accessible to appropriate City Staff) shall be required, and all gates are to be kept locked when the Operator or his employees are not on the premises; and

5. Require all existing wells to comply with the current fencing requirements within one year from the date of the approval of the amendment.

Attached are the current Section 13-508, an annotated draft of the requested amendments, and a clean copy of the requested revised ordinance.

### **II. Average Fencing Costs**

The Committee also requested information regarding the average cost of fencing around well sites.

After consulting with several Operators, it is estimated that the average cost of fencing is running between \$25 - \$30 per linear foot. It is estimated that the average cost of fencing is running between \$4,000 - \$5,000 for a pumping unit and \$8,000 - \$14,000 for a tank battery, depending on the size and number of gates needed. (The two most recent well sites that have added fencing spent approximately \$11,200 for approximately 400 feet of fencing and approximately \$19,029 to fence a larger well site area.)

Older, existing wells might also have additional earth work, such as leveling uneven land or removing existing timber, that would result in additional cost.

### **III. Operators' Views on Proposed Amendments**

Staff met with oil and gas operators on June 5, 2014 to discuss the proposed oil and gas well fencing Code amendments. There are 37 operators of oil and gas wells within the Norman City limits. Staff invited 10 operators to attend, and 6 invitees which Staff believed represented ownership of a majority of the wells in Norman attended the meeting. Those six operators were Veenker Resources; Finley Resources; Ettinger Engineering; Trinity Resources, Inc.; Southern Resources, Inc.; and C&L Oil and Gas Corporation.

The following is a summary of the operators' comments:

1. The operators were generally not in favor of changing the regulations on fencing for older wells, particularly since most of the wells in Norman are in rural areas.

2. The operators were unanimous in their opinion that if a well exists and development follows, the developer should install the fence around the well and tank batteries. This is what has historically occurred in Norman. The current requested change reverses that practice.

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3. The operators also indicated that the fencing requirement may be a financial burden for small operators whose wells do not produce at a high rate.

4. The operators think that the current regulations are adequate and stated that they are pro-active in the maintenance of their sites because this is their business and they bear the financial liability risk if wells are not properly maintained or secured.

5. The operators noted that not all wells are the same, and lease agreements with property owners certainly vary. The operators felt that a one size fits all regulation is not appropriate.

6. The operators stated that some property owners do not want fences on their land because it is farm land or grazing land, and fences would reduce the amount of usable land for the property owner. In addition cows often use chain-link fences as scratching posts which can knock the fence over. If the fences also have barbed wire attached, then the cows could be injured by the barbed wire.

7. The operators believe that if a property already has a locked gate at the road, it does not seem necessary to add fencing around the well pump and tank batteries.

8. The operators also stated that if new regulations are enacted, it could take years to put them into effect because of the numerous lease agreements and obligations already included that would need to be amended. The operators do not believe that it is possible to fence all wells within one year.

### **STAFF OBSERVATIONS**

Separation of Well and Tank Batteries - The proposed amendments clarify that the well pump and the tank batteries can be fenced separately. Often there is separation between the two and disallowing separation could unnecessarily require a single large fenced area.

Waiver by Landowner - At the Oversight meeting, there was some discussion about whether the fencing requirements could be waived by the landowner in rural areas or under certain circumstances, but the Committee indicated that it wanted the waiver removed, so that language providing for a waiver is not included in the current draft of the Ordinance.

Landscaping - The Committee requested language requiring landscaping but only where the well site is visible from a public street. The language included in this proposed amendment was adapted from Oklahoma City's

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ordinance. It should be noted, however, that Oklahoma City's ordinance allows well sites in platted areas whereas Norman's ordinance only permits well sites on unplatted land. Since these wells are located in rural or agricultural areas, landscaping could be problematic since there may be limited or no access to irrigation, which could prohibit landscaping from surviving.

One Year Compliance Requirement - The general consensus from the operators is that full compliance from all wells can not practically be accomplished within one year. The Legal Department is researching legal implications of utilizing a "phasing in" requirement, as opposed to a "grandfathering" approach. The legal research will be provided under separate cover.

### **RECOMMENDATION**

This information is provided for the City Council's review and consideration. Staff will be available to answer questions.

**Sec. 13-1508. Premises maintained.**

(a)

The premises upon which any oil, gas or disposal well is drilled, operated or maintained shall be kept free of all accumulations of rubbish, litter, unused equipment or materials, excess rotary mud, salt water, waste oil or oil by-products and other waste, insofar as the same may be reasonably done in the conduct of operations.

(b)

The permittee will promptly restore the streets, sidewalks, vegetation and other public property which may be disturbed or damaged in the permittee's operations to their former condition, and the permittee will promptly clear all premises of all litter, trash and waste, and will, after abandonment, grade, level and restore said property to the same surface condition as practical and as possible, as existed prior to commencing operations.

(c)

Any person who completes any well as a producer shall enclose such well, together with its surface facilities, by a fence at least six (6) feet high and constructed of a material and in a manner so as to be impregnable to children and animals under ordinary or foreseeable circumstances; provided, that where the well site is greater than six hundred (600) feet from a dwelling or business structure, the Oil and Gas Inspector may waive the requirement of a fence or may designate the type of fence to be erected. Fences must be kept locked at all times when workers of the permittee are not present. A duplicate set of keys to such lock shall be filed with the Oil and Gas Inspector.

(d)

All lines that leave the premises (drilling pad), whether oil or gas, shall be buried in a trench so the top of the pipe is no less than three (3) feet deep and shall be pressure tested at a minimum of one hundred fifty (150) percent of the normal working pressure held for one (1) hour. The Oil and Gas Inspector shall be notified forty-eight (48) hours before the trench is started and in advance of the pressure test and may supervise same.

(e)

All leaks or spills, including, but not limited to, oil and salt water, over two (2) barrels are to be reported to the Oil and Gas Inspector within twenty-four (24) hours.

(f)

The operator shall maintain the premises of the growth of grass and weeds to less than twelve (12) inches in height along the lease road and within the designated well site area.

AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA AMENDING SECTION 13-1508(C) OF CHAPTER 13 OF THE CODE OF ORDINANCES OF THE CITY OF NORMAN BY \_\_\_\_\_ ; AND PROVIDING FOR THE SEVERABILITY THEREOF.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA:

§ 1. That Sec. 13-1508(c) of Chapter 13 of the Code of Ordinances of the City of Norman shall be amended to read as follows:

**Sec. 13-1508. Premises maintained.**

(a) The premises upon which any oil, gas or disposal well is drilled, operated or maintained shall be kept free of all accumulations of rubbish, litter, unused equipment or materials, excess rotary mud, salt water, waste oil or oil by-products and other waste, insofar as the same may be reasonably done in the conduct of operations.

(b) The permittee will promptly restore the streets, sidewalks, vegetation and other public property which may be disturbed or damaged in the permittee's operations to their former condition, and the permittee will promptly clear all premises of all litter, trash and waste, and will, after abandonment, grade, level and restore said property to the same surface condition as practical and as possible, as existed prior to commencing operations.

(c) Any person who completes any well as a producer shall enclose such well, ~~together with and~~ its surface facilities, by a chain-link fence at least six (6) feet high and ~~constructed of a material and in a manner so as to be impregnable to children and animals under ordinary or foreseeable circumstances; provided, that where the well site is greater~~ less than six hundred (600) feet from a dwelling or business structure, the Oil and Gas Inspector may waive the requirement of a fence or may designate the type of fence to be erected. Fences must be kept locked at all times when workers of the permittee are not present. A duplicate set of keys to such lock shall be filed with the Oil and Gas Inspector. with three (3) strands of barbed wire across the top around the well and tank batteries. Well sites and tank batteries may be fenced separately as long as each separate fence complies with the requirements of this section.

1. The well operator shall be responsible for maintaining the fencing in compliance with the requirements of this section.
2. Fencing shall not be required on drill sites during initial drilling, completion, or reworking operations as long as twenty-four (24) hour onsite supervision is provided. However, a second entrance gate on the access road containing a lock



shall be provided. A duplicate set of keys, or some other appropriate means of accessibility, to such lock shall be provided to the Oil and Gas Inspector. All gates shall be kept locked when the well operator or his employees or agents are not on the premises.

3. When a well site is visible from a public street, such operator shall install evergreen vegetation or landscaped earth berms at least six (6) feet in height completely around the well site and all fences or lease equipment and facilities. Such vegetation or berms shall be sufficient to screen from view the structures sought to be screened and shall be kept in an attractive state and in good condition at all times. The Oil and Gas Inspector shall also have the power and authority to require such general landscaping of any well site as deemed necessary. The phrase, "general landscaping," shall mean the aesthetic improvement of land by adding trees, shrubs, lawns, ground cover, or flowers.
4. All wells already in existence within City limits as of the date of this amendment shall be in compliance with all fencing requirements of this section within one (1) year from the date of the approval of this amendment.

(d) All lines that leave the premises (drilling pad), whether oil or gas, shall be buried in a trench so the top of the pipe is no less than three (3) feet deep and shall be pressure tested at a minimum of one hundred fifty (150) percent of the normal working pressure held for one (1) hour. The Oil and Gas Inspector shall be notified forty-eight (48) hours before the trench is started and in advance of the pressure test and may supervise same.

(e) All leaks or spills, including, but not limited to, oil and salt water, over two (2) barrels are to be reported to the Oil and Gas Inspector within twenty-four (24) hours.

(f) The operator shall maintain the premises of the growth of grass and weeds to less than twelve (12) inches in height along the lease road and within the designated well site area.

- § 3. Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance, except that the effective date provision shall not be severable from the operative provisions of the ordinance.



ADOPTED this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Cindy Rosenthal, Mayor

ATTEST:

\_\_\_\_\_  
Brenda Hall, City Clerk

NOT ADOPTED this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Cindy Rosenthal, Mayor

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(c) Any person who completes any well as a producer shall enclose such well and its surface facilities by a chain-link fence at least six (6) feet high with three (3) strands of barbed wire across the top around the well and tank batteries. Well sites and tank batteries may be fenced separately as long as each separate fence complies with the requirements of this section.

1. The well operator shall be responsible for maintaining the fencing in compliance with the requirements of this section.
2. Fencing shall not be required on drill sites during initial drilling, completion, or reworking operations as long as twenty-four (24) hour onsite supervision is provided. However, a second entrance gate on the access road containing a lock shall be provided. A duplicate set of keys, or some other appropriate means of accessibility, to such lock shall be provided to the Oil and Gas Inspector. All gates shall be kept locked when the well operator or his employees or agents are not on the premises.
3. When a well site is visible from a public street, such operator shall install evergreen vegetation or landscaped earth berms at least six (6) feet in height completely around the well site and all fences or lease equipment and facilities. Such vegetation or berms shall be sufficient to screen from view the structures sought to be screened and shall be kept in an attractive state and in good condition at all times. The Oil and Gas Inspector shall also have the power and authority to require such general landscaping of any well site as deemed necessary. The

phrase, "general landscaping," shall mean the aesthetic improvement of land by adding trees, shrubs, lawns, ground cover, or flowers.

- 4. All wells already in existence within City limits as of the date of this amendment shall be in compliance with all fencing requirements of this section within one (1) year from the date of the approval of this amendment.

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Brenda Hall, City Clerk