

ORDINANCE NO. 1-1991

AN ORDINANCE AMENDING CHAPTER 21, "OIL AND GAS", BY AMENDING CERTAIN SECTIONS AS SET OUT BELOW; PROVIDING PERMITTEE TO OBTAIN A BOND OR LETTER OF CREDIT; TO HAVE BOND OR LETTER OF CREDIT FILED WITH LAND AGENT; AND PROVIDING INSURANCE CERTIFICATES TO BE FILED WITH LAND AGENT.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

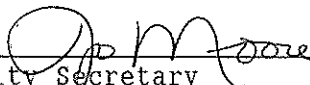
PART 1: That Chapter 21, "Oil and Gas" of the Abilene Municipal Code be amended as set out in Exhibit "A" attached hereto and made a part of this ordinance for all purposes.

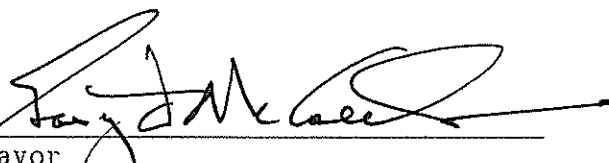
PART 2: That if any provision or any section of this ordinance shall be held to be void or unconstitutional such holding shall in no way affect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

PASSED ON FIRST READING this 20th day of December, A.D., 1990.

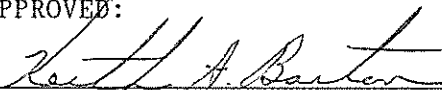
PASSED ON SECOND AND FINAL READING this 10th day of January, A.D., 1991.

ATTEST:

  
\_\_\_\_\_  
City Secretary

  
\_\_\_\_\_  
Mayor

APPROVED:

  
\_\_\_\_\_  
City Attorney

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Exhibit A

Section 21-23. Performance Bond or Irrevocable Letter of Credit Required

In the event a permit be issued by the City Council under the terms of this article for the drilling and operation of a well, no actual drilling operations shall be commenced until the permittee shall file with the Land Agent a Performance Bond in the principal sum as set by the City Council, the bond shall be executed by the applicant as principal and be one good and sufficient corporate surety running to the City for the benefit of the City and all persons concerned, and conditioned that the permittee shall comply with the terms and conditions of this chapter in the drilling and operation of the well.

In lieu of a performance bond, there shall be on file with the Land Agent an irrevocable Letter of Credit from a Federally insured bank being in the same principal sum as set by the City Council for performance bond and running to the City for the benefit of the City and all persons concerned, and conditioned that the permittee shall comply with the terms and conditions of this chapter in the drilling and operation of the well.

Such Bond or Letter of Credit shall become effective on or before the date it is filed with the Land Agent and remain in force and effect for at least a period of six (6) months subsequent to the expiration of the term of the permit issued. In addition, the Bond or Letter of Credit will be conditioned that the permittee will promptly pay all fines, penalties, and other assessments imposed upon permittee by reason of his breach of any of the terms, provisions and conditions of this chapter; that the permittee will promptly restore the streets and sidewalks and other public property of the City which may be disturbed or damaged in the operations to their former condition; that the permittee will promptly clear all premises of all litter, trash, waste and other substances used, allowed or occurring in the drilling or producing operations, and will, after abandonment, grade, level and restore such property to the same surface condition, as nearly as possible, as existed when operations for the drilling of the well or wells were first commenced; and that the permittee will indemnify and hold the City harmless from any and all liability growing out of or attributable to the granting of such permit. If, at any time, the City Council shall deem any permittee's Bond or Letter of Credit to be insufficient for any reason, it may require the permittee to file a new Bond or Letter of Credit. (Code 1965, 8-40, Ordinance No. 91-1983, Part 1(8), 8-25-83; Ordinance No. 134-1983, Part 1, 12-1-83.)

Section 21-58. Insurance Required.

No well shall be produced unless the operator, during all periods of operation, maintains on file with the City Land Agent a current certificate evidencing public liability insurance in full force and effect with the minimum limits set by the City Council. (Code 1965, 8-42; Ordinance No. 91-1983, Part 1(18), 8-25-83.)

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