



MEMORANDUM

Council Agenda
Item No. XI. P
8/13/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Ordinance on final hearing relating to Oil and Gas, amending Chapter 37 of the Oklahoma City Municipal Code, 2020, Amending Article I – In General, by amending Sections 37-1 – Purpose and intent of chapter, 37-2 - Definitions, 37-9 - Applicability of Article II, Division 1, and Article III of this chapter and 37-15 – Duties, to comply with state law; amending Article II – Administration, Enforcement and Penalties, by amending Section 37-37 - Drilling permit required in Oil and Gas District or U-7 Zone, to remove reference to the U-7 Zone; amending Section 37-39 - Application for permit; permit fee, to remove certain permit application requirements and renumber; amending Section 37-40 - Permit required for drilling or operation of enhanced recovery or saltwater or deleterious substances disposal wells, to renumber; amending Section 37-41 - Application for permit and permit fee for enhanced recovery and disposal well, to remove certain application requirements and renumber; amending Sections 37-42 - Insurance coverage required, 37-43 - Issuance or refusal of permit and 37-44 - Annual fee to operate, to renumber; amending Section 37-50 - Power and authority of inspector, to remove reference to Section 37-51; amending Sections 37-52 – Appeals and 37-58 – Violations, penalties, to remove certain penalty provisions and renumber; repealing Sections 37-26, 37-27, 37-28, 37-29, 37-30, 37-38, 37-45 and 37-51 in their entirety to delete requirements related to the U-7 Zone, remove annual reporting requirements, certain permitting requirements, and authority to cease operations; amending Article III – Drilling and Operation of Oil and Gas Wells, by repealing Sections 37-84 and 37-85 related to drilling equipment and corporation commission requirements; amending Section 37-86 – Fencing, screening and landscaping, to remove landscaping requirements and renumber; amending Section 37-87 – Noise and other nuisances, to renumber; repealing Sections 37-88 through 37-90, relating to facilities, fire prevention and pits; amending Section 37-91 – Motive power, to renumber; repealing Sections 37-92 through 37-98, to comply with state law; amending Section 37-99 - Ingress and egress, to renumber; repealing Sections 37-100 through 37-105 to comply with state law; amending Section 37-106 - Depositing oil products, to renumber; repealing Sections 37-107 through 37-112 to comply with state law; amending Section 37-113 - Wells within watershed areas of city water reservoirs and other areas near the reservoirs, to renumber; repealing Sections 37-114 through 37-118 to comply with state law; amending Section 37-119 - Blanket bond or blanket irrevocable letter of credit required, to renumber; repealing Section 37-120 in its entirety to remove preempted well operation regulations; and repealing Article IV – Artificial Production, Article V – Swabbing Wells and Article VI – Loading Racks, of said chapter in their entirety to remove preempted artificial production, well swabbing and loading rack regulations.

Purpose:

The purpose of the ordinance amendment is to update the Municipal Code Chapter 37, as it relates to Oil and Gas Well permitting and fees, to resolve current inconsistencies with Title 52 of the Oklahoma State Statute.

Background:

Several years ago, the State of Oklahoma limited municipalities' ability to regulate oil and gas activities in their jurisdictions. As a result, oversight of oil and gas activities in the City was moved from the Public Works Department to the Development Services Department. While the Development Center continues to issue permits for oil and gas activity in the City, the Department recently moved the inspection function to Code Enforcement to provide expanded inspection and management oversight and support. The Department seeks to update the City's Ordinance for consistent application of the Code for management and the inspectors, and to resolve current inconsistencies brought about by recent changes in State statute.

The amended Ordinance allows the City to:

- Enforce City regulations incidental to oil and gas operations relating to traffic, noise, odors, setbacks, and fencing.
- Regulate well locations within a 100-year-floodplain.
- Regulate well locations within a certain distance of a City reservoir.
- Require an oil and gas permit to allow for the enforcement of the allowable City regulations.
- All other regulations of oil and gas operations are subject to the exclusive jurisdiction of the Corporation Commission.

Review:

Development Services Department

Recommendation: Ordinance be adopted.