

ORDINANCE NO. 139

AUTHORIZING TEXLAND PETROLEUM, INC. TO DRILL AND OPERATE FIVE WELLS WITHIN THE TOWN LIMITS OF WILLOW PARK.

WHEREAS, the Town of Willow Park wants to make clear that Texland Petroleum is authorized to drill five wells within the town limits.

WHEREAS, certain requirements are to be met by Texland Petroleum for the maintenance of roads and grounds affected by the drilling operations.

WHEREAS, since these drilling operations have the potential of generating additional revenue for the Town of Willow Park;

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COMMISSION OF THE TOWN OF WILLOW PARK:

SECTION I.

It is enacted that the Town of Willow Park hereby authorizes Texland Petroleum, Inc., or its successors and assigns (hereinafter referred to in this ordinance as "Texland"), to drill and thereafter operate no more than five (5) wells within the Town limits of Willow Park. Be it further enacted that Texland's operations shall be conducted on the following terms and conditions:

- A. That Texland shall pay for all damages to the roads within the Town limits of Willow Park incurred as a result of Texland's operations.
- B. That Texland shall not use any water furnished by the Willow Park water system in its operations; without prior permission of Town of Willow Park.
- C. That no drilling operations shall be carried out within 200 feet of any existing residence.
- D. That Texland shall conduct its drilling operations in a manner so as to cause minimum noise and order and in such a manner as to interfere as little as is practicable with the safety, comfort and convenience of the citizens of Willow Park;
- E. That after drilling operations are terminated, Texland shall fill all pits and restore the surface to its original condition to the extent that it may reasonably be done.
- F. That Texland shall pay for all actual damages caused by its operations to property within the Town limits of Willow Park.

- G. That in laying pipelines within the Town limits of Willow Park, Texland to the extent it may reasonably do so, shall use existing easements and roadways.
- H. That Texland shall erect a fence around all pits and drilling operations; and
- I. That Texland shall pay as a license fee for the privilege of operating within the Town limits of Willow Park monthly a sum equal to 1% gross proceeds received from the sale of the oil and gas produced from each well located within the Town limits of Willow Park, said sum to be payable on or before the 20th day of the second month following the month such oil and gas is produced; that such license fee be in effect for ten (10) years from the date of this ordinance (unless production of oil and gas ceases prior to ten (10) years from the date hereof in which event such license fee will terminate when production ceases) and not be subject to revision except by the mutual agreement of the Town of Willow Park and Texland; that said license fee shall be in lieu of any ad valorem taxes which might be hereafter assessed by the Town of Willow Park.

PASSED AND APPROVED this 17th day of October, 1977

F. C. Baker

Mayor

Attest: Ernest W. McGraw

City Clerk