

CAUSE NO. 14-08933-431

TEXAS OIL AND GAS ASSOCIATION	§	IN THE DISTRICT COURT OF
	§	
Plaintiff,	§	
	§	
vs.	§	DENTON COUNTY, TEXAS
	§	
CITY OF DENTON,	§	
	§	
Defendant.	§	16TH JUDICIAL DISTRICT

AMENDED ORIGINAL PETITION

The Texas Oil and Gas Association (“TXOGA”) files this declaratory action and request for injunctive relief against the City of Denton, on the ground that two City of Denton ordinances are preempted by Texas state law and are therefore unconstitutional.

I. INTRODUCTION

This case concerns a significant question of Texas law: whether two City of Denton ordinances—one that imposes a moratorium on new drilling and one that bans hydraulic fracturing—are preempted by the Constitution and laws of the State of Texas. Since TXOGA filed its Original Petition challenging the City of Denton’s ban on hydraulic fracturing, the Texas Legislature passed H.B. 40, which expressly preempts the authority of the City of Denton to enact, amend, or enforce both ordinances. Despite the clarity of the statute, however, the parties remain in dispute about the enforceability of the City of Denton’s ordinances. TXOGA, therefore, seeks a declaration that the ordinances are expressly preempted by H.B. 40 and the power granted to state agencies, the Texas Railroad Commission (the “Railroad Commission”) and the Texas Commission on Environmental Quality (the “TCEQ”), and are therefore invalid, void, and unenforceable.

II. DISCOVERY CONTROL PLAN

1. This case raises questions of constitutional law and statutory interpretation that are appropriately determined on summary judgment. Because no material fact questions exist, no discovery or discovery control plan is required.

III. FACTUAL BACKGROUND

2. The City of Denton lies atop the Barnett Shale, a massive reservoir of hydrocarbons that is currently the third largest onshore producing natural gas field in the United States. The Barnett Shale is estimated to contain the largest producible reserves of any onshore natural gas field in the United States.

3. To date, the Barnett Shale has produced more than 4.8 trillion cubic feet of natural gas, and some operators estimate that there may be more than 40 trillion cubic feet of natural gas remaining to be produced.

4. The production of hydrocarbons within the Barnett Shale, and the U.S. shale reservoirs generally, is made possible through the use of hydraulic fracturing. This technology involves the pressurized injection of water, sand, and other substances into the shale to crack open (or fracture) the rock, freeing the hydrocarbons to travel up the wellbore.

5. The Supreme Court of Texas has recognized that, without the use of hydraulic fracturing, the Barnett Shale is wholly uncommercial, or, in the best of market conditions, only marginally commercial. Put another way, fracturing is “essential to the recovery of oil and gas in many areas,” including the Barnett Shale. *See Coastal Oil & Gas Corp. v. Garza Energy Trust*, 268 S.W.3d 1, 16 (Tex. 2008).

6. Production from the Barnett Shale has generated over \$10 billion in annual economic activity and more than 100,000 permanent jobs, with corresponding annual tax receipts to state and local government entities substantially exceeding \$1 billion.

7. The Barnett Shale is an integral piece of the U.S. shale energy boom, which has enhanced our nation's energy security immensely and has led the U.S. to regain its position as the largest producer of hydrocarbons in the world.

8. The people of the City of Denton benefit tremendously from the development of the Barnett Shale. Over the next ten years, the Barnett Shale is expected to result in hundreds of millions of dollars in economic activity for the City and create hundreds of jobs.

9. Over that same time period, local taxing authorities are expected to collect millions of dollars in revenue from the Barnett Shale, which will benefit the City and its citizens, by, among other things, funding a range of local government services such as police and fire as well as the Denton Independent School District.

10. The development of the Barnett Shale has had a real and meaningful impact on the economy of the City of Denton and Denton County, and the Texas Railroad Commission has identified Denton County as one of four core production areas within the Barnett Shale.

11. It is against this backdrop that the City of Denton passed and approved Ordinance No. 2014-137 on May 6, 2014. This ordinance, attached hereto as Exhibit A, imposed a moratorium on gas-well permitting within the City of Denton until September 9, 2014. It reads in relevant part as follows:

A moratorium is hereby imposed on the acceptance, receipt, processing or approval of applications for gas well permits within the corporate limits of the City of Denton, any application for specific use permits, or gas well development site plans, of any nature or type, or amendments thereto, including expressly any amendments to prior approval or pending applications for gas well development plats within the corporate limits, and any applications for Fire Code operational permits, pursuant to the Denton Development Code (DDC). . . subject to the exemptions stated in Section 3 of this ordinance. The moratorium shall be in place until

midnight September 9, 2014 and may be extended by the City Council thereafter for good cause shown.

12. City of Denton Ordinance Nos. 2014-192, 2014-276, 2015-013, and 2015-107, attached hereto as Exhibits B–E, subsequently amended and extended the moratorium from September 9, 2014, until August 18, 2015. Ordinance No. 2014-137, as amended by Ordinance Nos. 2014-192, 2014-276, 2015-013, and 2015-107 will be referred to herein as the “Drilling Moratorium.”

13. In addition, on November 4, 2014, voters of the City of Denton approved Ordinance No. 2014-01 that criminalizes and completely bans hydraulic fracturing within the corporate city limits. This ordinance, attached hereto as Exhibit F, reads in relevant part as follows:

It shall be unlawful for any person to engage in hydraulic fracturing within the corporate limits of the City. . . The violation of or noncompliance with this article by any person, firm, association of persons, company, corporation, or their agents, servants, or employees shall be punishable as a misdemeanor and upon conviction, such person, firm, association, company, corporation or their agents, servants or employees shall be fined a sum not less than one dollar (\$1.00) but shall not exceed two thousand dollars (\$2,000.00), and each day any violation or noncompliance continues shall constitute a separate and distinct offense.

14. This ordinance amends Chapter 16 of the Code of Ordinances of the City of Denton, titled “Licenses, Permits and Business Regulation” to add new Article VII, titled “Prohibition of Hydraulic Fracturing.” This ordinance will be referred to herein as the “Hydraulic Frac Ban.”

15. The Hydraulic Frac Ban makes it unlawful to engage in hydraulic fracturing within the corporate limits of the City of Denton. The Hydraulic Frac Ban is not a land use ordinance or some other facially valid use of the City’s authority. Rather, the Hydraulic Frac Ban is an outright ban on hydraulic fracturing that criminalizes a standard industry practice safely used onshore in the United States since the 1940s.

16. On May 18, 2015, Governor Abbott signed House Bill No. 40, which is captioned as “relating to the exclusive jurisdiction of this state to regulate oil and gas operations in this state and the express preemption of local regulation of those operations.” This act, which became effective immediately and is attached hereto as Exhibit G, will be referred to herein as “H.B. 40.” In it, the legislature stated its intent that H.B. 40 “expressly preempt the regulation of oil and gas operations by municipalities, which is impliedly preempted by the statutes already in effect.” H.B. 40 reads in relevant part:

- (b) An oil and gas operation is subject to the exclusive jurisdiction of this state. Except as provided by Subsection (c), a municipality or other political subdivision may not enact or enforce an ordinance or other measure, or an amendment or revision of an ordinance or other measure, that bans, limits, or otherwise regulates an oil and gas operation within the boundaries or extraterritorial jurisdiction of the municipality or political subdivision.
- (c) The authority of a municipality or other political subdivision to regulate an oil and gas operation *is expressly preempted*, except that a municipality may enact, amend, or enforce an ordinance or other measure that:
 - (1) regulates only aboveground activity related to an oil and gas operation that occurs at or above the surface of the ground, including a regulation governing fire and emergency response, traffic, lights, or noise, or imposing notice or reasonable setback requirements;
 - (2) is commercially reasonable;
 - (3) does not effectively prohibit an oil and gas operation conducted by a reasonably prudent operator; and
 - (4) is not otherwise preempted by state or federal law.

(Emphasis added.)

17. Both the Drilling Moratorium and the Hydraulic Frac Ban, which in effect completely prohibit the development of the Barnett Shale within the City of Denton, are unconstitutional because they are expressly preempted by H.B. 40.

18. The Drilling Moratorium and the Hydraulic Frac Ban are further preempted by implication because they undermine Texas policy and invade the province of the agencies tasked with regulating this State's oil and gas resources: the Railroad Commission, which issues permits for drilling within the City of Denton, and the TCEQ, which regulates certain environmental impacts of oil and gas development.

19. The Texas Railroad Commission has jurisdiction over all oil and gas wells in Texas. TEX. NAT. RES. CODE § 81.051(a)(2). The Commission is empowered by the Texas Legislature to adopt all necessary rules for governing and regulating persons owning or engaged in drilling or operating oil or gas wells in Texas. TEX. NAT. RES. CODE § 81.052. It is, in fact, *solely* responsible for the control and disposition of waste and the abatement and prevention of pollution of surface and subsurface water resulting from oil and gas activities. TEX. WATER CODE § 26.131(a).

20. Pursuant to this authority, the Railroad Commission has adopted a comprehensive regulatory scheme, including specific rules for various fields, such as the Newark, East (Barnett Shale) Field Rules, which cover Denton County.

21. This regulatory scheme covers the process of hydraulic fracturing as well. Pursuant to its legislative directive, the Commission requires operators to disclose the total volume of water and each chemical ingredient used in fracturing each well. 16 TEX. ADMIN. CODE § 3.29. In 2013, the Railroad Commission adopted significant amendments to Statewide Rule 13 (16 TEX. ADMIN. CODE § 3.13) in order to “update the requirements for drilling, casing, cementing and fracture stimulation” of wells in Texas. *See* R.R. COMM’N OF TEX., SUMMARY OF AMENDMENTS TO STATEWIDE RULE 13 (Oct. 24, 2014), available at <http://www.rrc.state.tx.us/oil-gas/compliance-enforcement/rule-13-geologic-formation-info/summary-of-amendments-to-swr-13/> (last visited 6/11/2015).

22. The TCEQ, similarly, has promulgated regulations related to the effect of hydraulic fracturing, and while the City of Denton has some residual authority to enact and enforce ordinances for the control of pollution, such ordinances may not be inconsistent with state law or the TCEQ's rules or orders, nor may such ordinances make unlawful an act or condition that is approved or authorized under state law or the TCEQ's rules or orders, such as hydraulic fracturing.

23. In the face of the Legislature's grant of authority to these state agencies to promote and regulate oil and gas activity in Texas through a pervasive framework of rules and regulations, including newly enacted H.B. 40, the City of Denton's prohibition on all viable production throughout the nearly 100 square miles within the city limits directly frustrates the State's goal, and is expressly preempted.

24. Because any ordinance violates Art. XI, Sec. 5 of the Texas Constitution if it is inconsistent with state law, and because both the Drilling Moratorium and the Hydraulic Frac Ban are inconsistent with state law in many respects, they are both unconstitutional.

IV. STANDING AND PARTIES

25. Founded in 1919, the Texas Oil & Gas Association is a statewide trade association with approximately 5,000 members representing every facet of the Texas oil and gas industry including small independents and major producers. TXOGA members account for over 90 percent of all crude oil and natural gas produced in Texas; they operate a vast majority of the State's pipeline mileage and gas processing capacity; and they are responsible for a preponderance of the State's refining capacity. As stated in its bylaws, the purpose of TXOGA is to promote and protect the oil and gas industry in Texas. TXOGA members own and operate wells and/or leases within the corporate limits of the City of Denton.

26. Members of TXOGA have standing to sue the City in their own right. The interests sought to be protected by bringing this lawsuit are germane to the purpose of TXOGA, which has long been a leading advocate in matters related to the development and regulation of the industry. The claims asserted and relief requested by TXOGA do not require the participation of individual group members in this lawsuit, as TXOGA seeks a declaration that both the Drilling Moratorium and the Hydraulic Frac Ban are unconstitutional and cannot be enforced, relief that applies to all entities subject to the ordinances.

27. Defendant City of Denton is a municipal corporation organized and existing under the laws of the State of Texas. It is, according to the latest U.S. Census Bureau estimates of population, the 3rd largest city within the core area of the Barnett Shale and the 26th largest city in the State of Texas. Defendant City of Denton has made an appearance in this action, and no additional citation is required.

V. JURISDICTION AND VENUE

28. The Court has jurisdiction over the City of Denton, which has its principal place of business in Denton County, Texas. The Court also has jurisdiction over the subject matter of this lawsuit, because the relief sought is within the jurisdiction of this Court.

29. Venue is proper in Denton County, Texas, because all or a substantial part of the events giving rise to the claims at issue occurred in Denton County, Texas, and Denton County is the county of the City of Denton's domicile and principal office in this state.

VI. BASIS FOR DECLARATORY AND INJUNCTIVE RELIEF— THE DRILLING MORATORIUM AND THE HYDRAULIC FRAC BAN ARE PREEMPTED BY H.B. 40 AND OTHER STATE LAW, RULES, AND REGULATIONS, AND ARE UNCONSTITUTIONAL

A. Both The Drilling Moratorium and the Hydraulic Frac Ban are expressly preempted by H.B. 40.

30. The Texas Constitution, Art. XI, Sec. 5, authorizes cities with populations of 5,000 or more (known as "home-rule cities") to enact ordinances, but it further provides that

“no ordinance shall contain any provision inconsistent with the Constitution of the State, or of the general laws enacted by the Legislature of this State.”

31. Thus, under established preemption law, ordinances such as the Drilling Moratorium and the Hydraulic Frac Ban that are inconsistent with the U.S. or Texas Constitutions or statutes are unconstitutional.

32. H.B. 40 provides, in part, that “[t]he authority of a municipality or other political subdivision to regulate an oil and gas operation is expressly preempted. . . .” An “oil and gas operation” is defined as “an activity associated with the exploration, development, production, processing, and transportation of oil and gas including drilling, hydraulic fracture stimulation¹” H.B. 40 also prohibits a municipality from enacting ordinances which ban an oil and gas operation. The Drilling Moratorium and the Hydraulic Frac Ban are in direct conflict with H.B. 40 because both ordinances purport to regulate oil and gas operations by banning them.

33. Neither the Drilling Moratorium nor the Hydraulic Frac Ban fall within any of H.B. 40’s exceptions set out in Subsection (c), which allow certain regulation of oil and gas operations by municipalities or other political subdivisions when the regulation meets all of the following four conditions:

- (1) regulates only aboveground activity related to an oil and gas operation that occurs at or above the surface of the ground, including a regulation governing fire and emergency response, traffic, lights, or noise, or imposing notice or reasonable setback requirements;
- (2) is commercially reasonable;
- (3) does not effectively prohibit an oil and gas operation conducted by a reasonably prudent operator; and
- (4) is not otherwise preempted by state or federal law.

¹ Hydraulic fracture stimulation is the same process as hydraulic fracturing.

Both the Drilling Moratorium and Hydraulic Frac Ban fail to meet this test.

34. Because both the Drilling Moratorium and the Hydraulic Frac Ban are regulations of oil and gas operations that are not permitted by H.B. 40, Subsection (c), they are both expressly preempted by H.B. 40.

B. In addition, both The Drilling Moratorium and the Hydraulic Frac Ban are preempted by implication.

35. In addition to express preemption, an ordinance can be preempted by implication if it undermines or interferes with state policy or is inconsistent with state regulation that is so comprehensive and pervasive that it clearly occupies the field.

36. The Legislature has vested the Railroad Commission with authority to permit wells for enhanced recovery projects, including hydraulic fracturing, pursuant to 16 T.A.C. § 3.50. The Railroad Commission has granted permits to TXOGA's members to drill horizontal wells within the Denton city limits.

37. The Drilling Moratorium purports to impose a moratorium on all new gas-well permits within the City of Denton, which amounts to regulation through a "de facto" ban on all drilling, similar to the Hydraulic Frac Ban. The Drilling Moratorium acts as a ban on all new drilling, which is an activity that is permitted and regulated under both Railroad Commission and TCEQ regulations.

38. The Hydraulic Frac Ban purports to "regulate certain aspects of business operations that impact the public safety, health, and welfare." The ordinance also recites various "impacts" and "dangers" that it is intended to regulate, such as the "venting of gas," "hazardous materials management," "spill issues," "environmental impairment matters," "ground and surface water contamination," "air pollution," and "other regulatory issues." On its face, the Hydraulic Frac Ban "regulates" hydraulic fracturing by banning it completely.

39. The Railroad Commission and the TCEQ have broad authority to regulate each of the “impacts” and “dangers” listed in the Hydraulic Frac Ban—and have done so with unmistakable clarity. Perhaps the greatest indicator that the Legislature intended to vest these agencies with authority to regulate oil and gas operations is H.B. 40, which preempts the authority of a municipality from regulating the same.

40. Additionally, the Railroad Commission regulates the venting of gas,² fire prevention and notification,³ containment systems,⁴ hazardous materials,⁵ spill cleanup,⁶ financial security of operators,⁷ and other alleged impacts of drilling and fracturing.

41. Further, the Railroad Commission “is *solely* responsible” for regulation to prevent the alleged “danger” of ground and surface water contamination.⁸

42. Moreover, though municipalities can “enact and enforce an ordinance for the control and abatement of air pollution,” the ordinance “may not make unlawful a condition or act approved or authorized under . . . the [TCEQ]’s rules or orders.”⁹

43. Both the Drilling Moratorium and the Hydraulic Frac Ban, under the guise of regulating these various alleged “impacts” and “dangers,” are nothing more than a complete ban of drilling and hydraulic fracturing, and are acts that directly conflict with existing state regulation.

² 16 Tex. Admin. Code § 3.32.

³ See 16 Tex. Admin. Code §§ 3.20, 3.21.

⁴ See 16 Tex. Admin. Code §§ 3.8, 3.98; see also *id.* §§ 5.102, 5.306.

⁵ See 16 Tex. Admin. Code § 3.98; see also *id.* § 3.30 (containing a memorandum of understanding between the Railroad Commission and the TCEQ with regard hazardous and nonhazardous waste, water quality, and injection wells).

⁶ 16 Tex. Admin. Code §§ 3.13, 3.91.

⁷ 16 Tex. Admin. Code § 3.1 (requiring well service companies who perform hydraulic fracturing to file an organization report and financial security); *id.* § 3.78 (discussing financial security and requiring well-specific plugging insurance policies).

⁸ Tex. Water Code § 26.131(a); see also *id.* § 26.406.

⁹ Tex. Health & Safety Code § 382.113; see also *id.* at § 382.011 (“The commission shall: . . . (2) establish the level of quality to be maintained in the state’s air; and (3) control the quality of the state’s air.”).

44. Because both the Drilling Moratorium and the Hydraulic Frac Ban directly conflict with the Railroad Commission's authority to permit wells within the city limits of Denton, and further conflict with other regulations issued by the Railroad Commission and the TCEQ regarding hydraulic fracturing and horizontal wells, both the Drilling Moratorium and the Hydraulic Frac Ban are preempted by implication.

C. Field preemption applies because the Railroad Commission and the TCEQ have been given authority in the field of oil and gas resource development.

45. The Texas Legislature has given authority to the Railroad Commission and the TCEQ to determine how oil and gas resources in the state are developed.

46. The regulations imposed by the Railroad Commission and the TCEQ occupy the entire field of oil and gas development.

47. While TXOGA recognizes that the City of Denton retains the right to *regulate* surface activity that is related to an oil and gas operation (so long as H.B. 40's four part test is satisfied), neither the Drilling Moratorium nor the Hydraulic Frac Ban regulate those interests.

48. Rather, the ordinances are outright prohibitions on new drilling and hydraulic fracturing, which do not fall within a city's power to regulate.

49. Because the Railroad Commission and the TCEQ regulations regarding oil and gas development in the State of Texas occupy the entire field, both the Drilling Moratorium and the Hydraulic Frac Ban are preempted and unconstitutional.

VII. CAUSES OF ACTION FOR DECLARATORY AND INJUNCTIVE RELIEF

50. TXOGA incorporates and realleges the matters set forth in each of the preceding paragraphs.

51. TXOGA files this Amended Original Petition pursuant to TEX. R. CIV. P. 63 to amend its Original Petition filed November 5, 2014.

52. A justiciable controversy exists between TXOGA and the City of Denton concerning both the Drilling Moratorium and the Hydraulic Frac Ban. TXOGA consists of members whose rights, status, and other legal relations are affected by the ordinances. The City has refused to disclaim the enforceability of those ordinances. TXOGA asks the Court to determine the disputed questions of construction and validity arising under the statutes identified in this petition and to issue a declaration of rights, status, and other legal relations. TEX. CIV. PRAC. & REM. CODE § 37.004(a).

53. The Texas Constitution prohibits home-rule cities from enacting ordinances that are inconsistent with state statutes. *See* TEX. CONST., art. XI, § 5. Both the Drilling Moratorium and the Hydraulic Frac Ban are expressly preempted by H.B. 40 and conflict with regulations of both the Texas Railroad Commission and the TCEQ. A home-rule city may not pass ordinances that make unlawful conditions or acts approved by the Railroad Commission or the TCEQ, as both the Drilling Moratorium and the Hydraulic Frac Ban do.

54. In accordance with the provisions of Chapter 37 of the Texas Civil Practices and Remedies Code, TXOGA respectfully requests that this Court issue a judgment declaring that (a) the Drilling Moratorium is invalidated by operation of H.B.40, the Texas Natural Resources Code, the Texas Water Code, the Texas Health and Safety Code, rules and regulations of the Railroad Commission and TCEQ, and the Texas Constitution; (b) the Hydraulic Frac Ban is invalidated by operation of H.B. 40, the Texas Natural Resources Code, the Texas Water Code, the Texas Health and Safety Code, rules and regulations of the Railroad Commission and TCEQ, and the Texas Constitution; and (c) neither the City of Denton nor its agents may enforce either the Drilling Moratorium or the Hydraulic Frac Ban, nor require TXOGA members to comply with either the Drilling Moratorium or the Hydraulic Frac Ban.

55. The requested declaration will resolve the real and substantial controversy over the validity of the Drilling Moratorium and the Hydraulic Frac Ban. This declaration is needed to prevent the City of Denton from enforcing any portion of the ordinances, which would subject TXOGA members to unlawful regulation.

56. The grounds on which TXOGA seeks injunctive relief is that it is entitled to the relief demanded in this petition, and all or part of the relief requires the restraint of acts prejudicial to TXOGA. TEX. CIV. PRAC. & REM. CODE § 65.011. Moreover, TXOGA is entitled to a writ of injunction under the principles of equity and the statutes of the State of Texas relating to injunctions. *Id.*

57. TXOGA, through its members, is faced with imminent and irreparable injury unless the Court issues the permanent injunction sought by TXOGA. Enforcement of the Drilling Moratorium and the Hydraulic Frac Ban would further result in irreparable injury to vested property rights of the members of TXOGA.

58. TXOGA will have no adequate remedy at law. Injunctive relief to stop the enforcement of the Drilling Moratorium and the Hydraulic Frac Ban is therefore necessary.

59. TXOGA asks the court to issue a permanent injunction enjoining the City of Denton and its agents from enforcing both the Drilling Moratorium and the Hydraulic Frac Ban.

60. The City of Denton does not enjoy sovereign immunity from the conduct described in this petition. Municipalities do not enjoy immunity from suit where their acts are unauthorized or in violation of state law, nor do they enjoy sovereign immunity against suits in which declaratory relief is sought.

61. All conditions precedent to the filing of this suit have been performed or have occurred.

62. TXOGA has retained the undersigned counsel to prosecute this suit on its behalf and has agreed to pay counsel reasonable and necessary attorneys' fees. An award of attorneys' fees to TXOGA would be equitable and just, and TXOGA requests that it be awarded attorneys' fees pursuant to Section 37.009 of the Texas Civil Practices & Remedies Code.

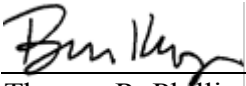
VIII. PRAYER FOR RELIEF

TXOGA prays that upon further hearings by this Court and upon final trial, TXOGA have judgment against the City of Denton as follows:

1. A declaration that (a) the Drilling Moratorium is invalidated by operation of H.B. 40, the Texas Natural Resources Code, the Texas Water Code, the Texas Health and Safety Code, rules and regulations of the Railroad Commission and TCEQ, and the Texas Constitution; (b) the Hydraulic Frac Ban is invalidated by operation of H.B. 40, the Texas Natural Resources Code, the Texas Water Code, the Texas Health and Safety Code, rules and regulations of the Railroad Commission and TCEQ, and the Texas Constitution; and (c) neither the City of Denton nor its agents may enforce either the Drilling Moratorium or the Hydraulic Frac Ban, nor require TXOGA members to comply with either the Drilling Moratorium or the Hydraulic Frac Ban;
2. A permanent injunction prohibiting the City of Denton and its officers, agents, servants, employees, and attorneys from enforcing the Drilling Moratorium;
3. A permanent injunction prohibiting the City of Denton and its officers, agents, servants, employees, and attorneys from enforcing the Hydraulic Frac Ban;
4. Reasonable and necessary attorneys' fees;
5. Costs of suit; and
6. Such other and further relief to which TXOGA may be justly entitled.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on June 15, 2015, a copy of the foregoing was served by electronic mail and/or certified mail, return receipt requested, on the following counsel of record:

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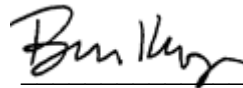
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Bill Kroger

EXHIBIT A

ORDINANCE NO. 2014-137

AN ORDINANCE DECLARING A MORATORIUM UNTIL MIDNIGHT SEPTEMBER 9, 2014, UNLESS EARLIER TERMINATED BY ORDINANCE OF CITY COUNCIL, ON THE RECEIPT, PROCESSING AND APPROVAL OF CERTAIN APPLICATIONS FOR GAS WELL PERMITS WITHIN THE CORPORATE LIMITS OF THE CITY OF DENTON, AND ON APPLICATIONS FOR SPECIFIC USE PERMITS, SITE PLANS, DEVELOPMENT PLANS OF ANY NATURE OR TYPE, INCLUDING APPLICATIONS FOR AMENDMENTS TO APPROVED OR PENDING GAS WELL DEVELOPMENT PLATS, AS THEY RELATE TO GAS WELL DRILLING AND PRODUCTION ACTIVITIES, AND FIRE CODE OPERATIONAL PERMITS SUBJECT TO CERTAIN EXEMPTIONS; PROVIDING A VARIANCE PROCEDURE; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton, Texas, is a home rule municipality located in Denton County; and

WHEREAS, the City Council of the City of Denton is aware of an increased interest in, and concern about, gas exploration and production in the North Central Texas area; and

WHEREAS, the City Council has received from the public a multitude of environmental and land use compatibility concerns regarding the City's ordinances and regulations now applicable to the gas well drilling and production activities, including, but not limited to, health, water quality, air quality, noise, lighting, truck traffic, dust, vibrations and other nuisances; and

WHEREAS, over the course of fifteen months, the City Council conducted such investigations as it deemed necessary to amend City ordinances and regulations relating to gas well drilling and production, resulting in Ordinance No. 2013-014, enacted on January 15, 2013; and

WHEREAS, increased drilling in close proximity to residential and other protected uses after the enactment of Ordinance No. 2013-014 have resulted in negative and deleterious effects on Denton citizens, calling into question whether the various interests could be better balanced by additional review of the City's ordinances and regulations; and

WHEREAS, gas well drilling and production activities are classified as industrial uses under the Denton Development Code; and

WHEREAS, gas well drilling and production activities conducted within city limits are subject to and governed by the City's zoning regulations; and

WHEREAS, the City Council, after due and careful consideration, finds that there remain significant and compelling environmental and land use compatibility concerns associated with the gas well drilling and production activities; and

WHEREAS, the City Council believes that it is reasonable and necessary to again review municipal ordinances and regulations to provide for a fair and equitable system of regulations relating to the Gas well drilling and production activities so as to protect the property interests of mineral estate owners while protecting the rights, opportunities and property interests of surface estate owners and citizens of the City of Denton, Texas; and

WHEREAS, it is important and necessary to preserve the status quo by enacting a moratorium while a review and update of these regulations are being developed and implemented to ensure compatible land uses that do not negatively impact property values or neighborhood character; and

WHEREAS, the City Council finds that certain exemptions from a moratorium for certain categories of gas well permits and Fire Code operational permits are in order; and

WHEREAS, the City Council further finds that it is in the best interest of the City and the public to enact a moratorium to a date certain in order to allow for the review and enactment of regulatory changes to the City's ordinances governing gas well drilling and production activities and the procedures related thereto; and

WHEREAS, the City Council is open to the possibility of terminating the moratorium before the expiration date adopted herein, such as in the event that amendments to the City's ordinances and regulations related to gas well drilling and production activities are enacted before the moratorium's expiration date; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All of the above recitals are hereby found to be true and correct factual and legislative determinations of the City of Denton, Texas and are hereby approved and incorporated by reference as though fully set forth herein.

SECTION 2. A moratorium is hereby imposed on the acceptance, receipt, processing or approval of applications for gas well permits within the corporate limits of the City of Denton, any applications for specific use permits, or gas well development site plans, of any nature or type, or amendments thereto, including expressly any amendments to prior approved or pending applications for gas well development plats within the corporate limits, and any applications for Fire Code operational permits, pursuant to the Denton Development Code (DDC), including but not limited to Chapter 22 thereof, as amended, and the Denton Fire Code, as amended, as they relate to gas well drilling and production activities, or any part thereof, in the City of Denton, subject to the exemptions stated in Section 3 of this ordinance. The moratorium shall be in place until midnight September 9, 2014, and may be extended by the City Council thereafter for good cause shown.

SECTION 3. The following applications are exempt from the moratorium:

- a. Applications for Fire Code operational permits relating to gas well drilling and production activities, which are subject to and consistent with an approved gas

well permit issued pursuant to DDC Chapter 22, as amended by Ordinance Nos. 2013-014 and 2013-304; and

- b. Applications for gas well permits, which are subject to and consistent with a gas well development site plan approved after August 17, 2010; and
- c. Applications that are in sequence with the applications described in subsections (a) or (b); and
- d. Applications for permits relating to the drilling of wells, which do not require hydraulic fracturing, in conjunction with the injection or storage of natural gas as personal property beneath the surface of the earth.

SECTION 4. Acceptance or processing of any other applications by City staff is hereby deemed to be a nullity and shall be grounds for denial of such wrongfully accepted application.

SECTION 5. The City staff is hereby directed to complete those studies and analyses necessary to determine what, if any, regulatory changes to the ordinances of the City of Denton are reasonable and necessary to permit gas well drilling and production activities without disproportionately impacting the interest of adjacent and nearby surface estate owners and citizens within the City. The City staff is directed to review all appropriate environmental, planning materials and development regulations to suggest changes, if appropriate, that would protect the interests of mineral estate owners and nearby and adjacent surface estate owners and citizens while ensuring the highest degree of concern for the preservation of the public health, safety, morals and general welfare. The City staff shall complete their work and make their recommendations to the City Council by September 9, 2014, or if they should determine that this time period is not feasible, report back to the City Council with a proposed calendar by which they will complete their work. The City staff shall solicit such input as they deem necessary and appropriate in preparing their recommendations.

SECTION 6. The purpose of this moratorium is to maintain the status quo within the corporate limits of the City.

SECTION 7. Any gas well operator or mineral owner who believes that the imposition of this moratorium causes a unique and undue hardship upon his or her property or business shall have the right to request a variance and shall submit a written request to the City Council by transmitting same to the City Secretary's office. The request must provide the following information:

- a. A description of the property proposed to be covered by the variance.
- b. An explanation as to why the application of the moratorium to applicant's property will create an undue hardship.
- c. A description of any negative impacts created by the moratorium provision.

The City Secretary's office shall place the request for a variance on the agenda of the City Council for consideration at a public meeting. The applicant shall receive written notice of the date of the proposed hearing on the variance request. The City Council shall conduct a public hearing on the variance request giving any individual who desires to present information or evidence to the City Council on the appropriateness or inappropriateness of the variance the opportunity to appear before the City Council and present such information.

The City Council shall apply the following criteria in determining whether or not to grant the variance:

- (1) Application of the moratorium will create an undue hardship;
- (2) The situation creating the undue hardship is neither self-imposed nor generally affecting all or most properties subject to the same regulations;
- (3) The relief sought will not be harmful to the permitted use of adjacent lawful uses; and
- (4) The granting of the variance shall be in harmony with the purpose of the moratorium.

In granting a variance, the City Council may impose conditions that are consistent with the purpose of this ordinance.

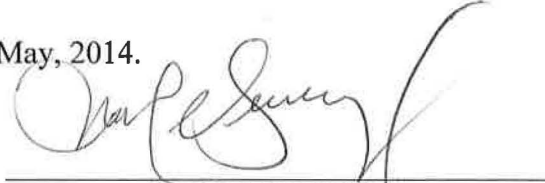
At the conclusion of the hearing, the City Council, by majority vote, may approve a variance to the provisions of this moratorium ordinance or may deny the request for variance.

SECTION 8. This Ordinance shall be cumulative of all provisions of the ordinances of the City of Denton, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the terms of this Ordinance, during its effectiveness, shall prevail over any other conflicting ordinances or provisions thereof.

SECTION 9. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared void, ineffective or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such voidness, ineffectiveness or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation herein of any such void, ineffective or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 10. This Ordinance shall take effect upon its passage and shall remain in effect until midnight September 9, 2014, unless earlier terminated by ordinance of City Council.

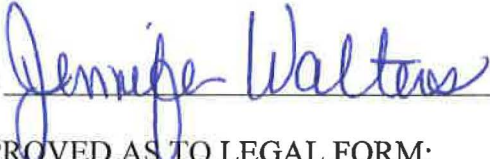
PASSED AND APPROVED this 6th day of May, 2014.



MARK A. BURROUGHS, MAYOR

ATTEST:

JENNIFER WALTERS, CITY SECRETARY

BY: 

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY


BY: 

EXHIBIT B

ORDINANCE NO. 2014-192

AN ORDINANCE AMENDING ORDINANCE NO. 2014-137, WHICH ESTABLISHED A MORATORIUM ON THE ACCEPTANCE, PROCESSING AND APPROVAL OF CERTAIN APPLICATIONS FOR GAS WELL PERMITS WITHIN THE CORPORATE LIMITS OF THE CITY OF DENTON, AND ON APPLICATIONS FOR SPECIFIC USE PERMITS, SITE PLANS, DEVELOPMENT PLANS OF ANY NATURE OR TYPE, INCLUDING APPLICATIONS FOR AMENDMENTS TO APPROVED OR PENDING GAS WELL DEVELOPMENT PLATS, AND ON APPLICATIONS FOR FIRE CODE OPERATIONAL PERMITS, AS THEY RELATE TO GAS WELL DRILLING AND PRODUCTION ACTIVITIES, SUBJECT TO CERTAIN EXEMPTIONS; PROVIDING A VARIANCE PROCEDURE; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton, Texas, is a home rule municipality located in Denton County; and

WHEREAS, the City Council of the City of Denton is aware of an increased interest in, and concern about, gas exploration and production in the North Central Texas area; and

WHEREAS, the City Council has received from the public a multitude of environmental and land use compatibility concerns regarding the City's ordinances and regulations now applicable to the gas well drilling and production activities, including, but not limited to, health, water quality, air quality, noise, lighting, truck traffic, dust, vibrations and other nuisances; and

WHEREAS, over the course of fifteen months, the City Council conducted such investigations as it deemed necessary to amend City ordinances and regulations relating to gas well drilling and production, resulting in Ordinance No. 2013-014, enacted on January 15, 2013; and

WHEREAS, increased drilling in close proximity to residential and other protected uses after the enactment of Ordinance No. 2013-014 have resulted in negative and deleterious effects on Denton citizens, calling into question whether the various interests could be better balanced by additional review of the City's ordinances and regulations; and

WHEREAS, gas well drilling and production activities are classified as industrial uses under the Denton Development Code; and

WHEREAS, gas well drilling and production activities conducted within city limits are subject to and governed by the City's zoning regulations; and

WHEREAS, the City Council, after due and careful consideration, finds that there remain significant and compelling environmental and land use compatibility concerns associated with the gas well drilling and production activities; and

WHEREAS, the City Council believes that it is reasonable and necessary to again review municipal ordinances and regulations to provide for a fair and equitable system of regulations relating to the Gas well drilling and production activities so as to protect the property interests of mineral estate owners while protecting the rights, opportunities and property interests of surface estate owners and citizens of the City of Denton, Texas; and

WHEREAS, it is important and necessary to preserve the status quo by enacting a moratorium while a review and update of these regulations are being developed and implemented to ensure compatible land uses that do not negatively impact property values or neighborhood character; and

WHEREAS, the City Council finds that certain exemptions from a moratorium for certain categories of gas well permits and Fire Code operational permits are in order; and

WHEREAS, the City Council further finds that it is in the best interest of the City and the public to enact a moratorium to a date certain in order to allow for the review and enactment of regulatory changes to the City's ordinances governing gas well drilling and production activities and the procedures related thereto; and

WHEREAS, the City Council is open to the possibility of terminating the moratorium before the expiration date adopted herein, such as in the event that amendments to the City's ordinances and regulations related to gas well drilling and production activities are enacted before the moratorium's expiration date; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All of the above recitals are hereby found to be true and correct factual and legislative determinations of the City of Denton, Texas and are hereby approved and incorporated by reference as though fully set forth herein.

SECTION 2. A moratorium is hereby imposed on the acceptance, processing or approval of applications for gas well permits within the corporate limits of the City of Denton, any applications for specific use permits, or gas well development site plans, of any nature or type, or amendments thereto, including expressly any amendments to prior approved or pending applications for gas well development plats within the corporate limits, and any applications for Fire Code operational permits, pursuant to the Denton Development Code (DDC), including but not limited to Chapter 22 thereof, as amended, and the Denton Fire Code, as amended, as they relate to gas well drilling and production activities, or any part thereof, in the City of Denton, subject to the exemptions stated in Section 3 of this ordinance. The moratorium shall be in place until midnight September 9, 2014, and may be extended by the City Council thereafter for good cause shown.

SECTION 3. The following applications are exempt from the moratorium:

- a. Applications for Fire Code operational permits relating to gas well drilling and production activities, which are subject to and consistent with an approved gas well

permit issued pursuant to DDC Chapter 22, as amended by Ordinance Nos. 2013-014 and 2013-304; and

- b. Applications for gas well permits, which are subject to and consistent with a gas well development site plan approved after January 15, 2013; and
- c. Applications that are in sequence with the applications described in subsections (a) or (b);
- d. Applications for Fire Code operational permits as they relate to annual inspections of those gas wells currently in production;
- e. Applications to vacate all, or a portion of, land areas within gas well development plats approved before August 17, 2010; and
- f. Applications for permits relating to the drilling of wells, which do not require hydraulic fracturing, in conjunction with the injection or storage of natural gas as personal property beneath the surface of the earth.

SECTION 4. Acceptance or processing of any other applications by City staff is hereby deemed to be a nullity and shall be grounds for denial of such wrongfully accepted application.

SECTION 5. The City staff is hereby directed to complete those studies and analyses necessary to determine what, if any, regulatory changes to the ordinances of the City of Denton are reasonable and necessary to permit gas well drilling and production activities without disproportionately impacting the interest of adjacent and nearby surface estate owners and citizens within the City. The City staff is directed to review all appropriate environmental, planning materials and development regulations to suggest changes, if appropriate, that would protect the interests of mineral estate owners and nearby and adjacent surface estate owners and citizens while ensuring the highest degree of concern for the preservation of the public health, safety, morals and general welfare. The City staff shall complete their work and make their recommendations to the City Council by September 9, 2014, or if they should determine that this time period is not feasible, report back to the City Council with a proposed calendar by which they will complete their work. The City staff shall solicit such input as they deem necessary and appropriate in preparing their recommendations.

SECTION 6. The purpose of this moratorium is to maintain the status quo within the corporate limits of the City.

SECTION 7. Any gas well operator or mineral owner who believes that the imposition of this moratorium causes a unique and undue hardship upon his or her property or business shall have the right to request a variance and shall submit a written request to the Board of Adjustment by transmitting same to the Director of Planning and Development ("Director"). The request must provide the following information:

- a. A description of the property proposed to be covered by the variance.

- b. An explanation as to why the application of the moratorium to applicant's property will create an undue hardship.
- c. A description of any negative impacts created by the moratorium provision.

The Director shall place the request for a variance on the agenda of the Board of Adjustment for consideration at a public meeting. The applicant shall receive written notice of the date of the proposed hearing on the variance request. The Board of Adjustment shall conduct a public hearing on the variance request giving any individual who desires to present information or evidence to the Board of Adjustment on the appropriateness or inappropriateness of the variance the opportunity to appear before the Board of Adjustment and present such information.

The Board of Adjustment shall apply the following criteria in determining whether or not to grant the variance:

- (1) Application of the moratorium will create an undue hardship;
- (2) The situation creating the undue hardship is neither self-imposed nor generally affecting all or most properties subject to the same regulations;
- (3) The relief sought will not be harmful to the permitted use of adjacent lawful uses; and
- (4) The granting of the variance shall be in harmony with the purpose of the moratorium.

In granting a variance, the Board of Adjustment may impose conditions that are consistent with the purpose of this ordinance.

At the conclusion of the hearing, the Board of Adjustment, by majority vote, may approve a variance to the provisions of this moratorium ordinance or may deny the request for variance.

SECTION 8. This Ordinance shall be cumulative of all provisions of the ordinances of the City of Denton, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the terms of this Ordinance, during its effectiveness, shall prevail over any other conflicting ordinances or provisions thereof.

SECTION 9. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared void, ineffective or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such voidness, ineffectiveness or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation herein of any such void, ineffective or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 10. This Ordinance shall take effect upon its passage and shall remain in effect until midnight September 9, 2014, unless earlier terminated by ordinance of City Council.

PASSED AND APPROVED this 17th day of June, 2014.



CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

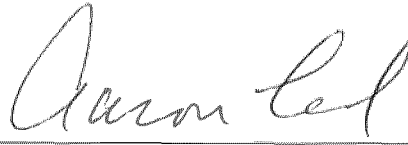
BY: _____

EXHIBIT C

ORDINANCE NO. 2014-276

AN ORDINANCE AMENDING ORDINANCE NO. 2014-137, AS AMENDED BY ORDINANCE NO. 2014-192, TO EXTEND FOR AN ADDITIONAL 45 DAYS, OR SUCH OTHER REASONABLE DATE, THE MORATORIUM ON THE ACCEPTANCE, PROCESSING AND APPROVAL OF CERTAIN APPLICATIONS FOR GAS WELL PERMITS WITHIN THE CORPORATE LIMITS OF THE CITY OF DENTON, TEXAS, AND ON APPLICATIONS FOR SPECIFIC USE PERMITS, SITE PLANS, DEVELOPMENT PLANS OF ANY NATURE OR TYPE, INCLUDING APPLICATIONS FOR AMENDMENTS TO APPROVED OR PENDING GAS WELL DEVELOPMENT PLATS, AND ON APPLICATIONS FOR FIRE CODE OPERATIONAL PERMITS, AS THEY RELATE TO GAS WELL DRILLING AND PRODUCTION ACTIVITIES, SUBJECT TO CERTAIN EXEMPTIONS; CLARIFYING THE EXEMPTIONS TO THE MORATORIUM; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denton, Texas adopted Ordinance No. 2014-137 (the "Moratorium Ordinance") on May 6, 2014, the terms of which are incorporated by reference, which Moratorium Ordinance imposed until midnight of September 9, 2014, unless earlier terminated by the City Council, a moratorium on the receipt, processing and approval of certain applications seeking authorization for gas well drilling and production activities, as prescribed therein, within the corporate limits of the City of Denton, Texas; and

WHEREAS, the City Council amended the Moratorium Ordinance on June 17, 2014 by adopting Ordinance No. 2014-192, to clarify certain exemptions contained in the Moratorium Ordinance, specifically by revising existing exemptions and by adding additional exemptions; and

WHEREAS, the Moratorium Ordinance was adopted to address significant and compelling environmental and land use compatibility concerns associated with gas well drilling activities occurring in close proximity to residential and other protected uses that have resulted in negative and deleterious effects on Denton citizens; and

WHEREAS, as set forth in the Moratorium Ordinance, the City is reviewing its municipal ordinances and regulations to provide for a fair and equitable system of regulations relating to gas well drilling and production activities so as to protect the property interests of mineral estate owners while protecting the rights, opportunities and property interests of surface estate owners and citizens of the City of Denton, Texas; and

WHEREAS, the City anticipates that a draft of an ordinance enacting additional regulations relating to gas well drilling and production activities and the procedures related thereto will be forthcoming in the immediate future, however additional time beyond September 9, 2014 is necessary to complete a draft of an ordinance and to present it before the Planning and Zoning Commission and the City Council; and

WHEREAS, in addition to extending the Moratorium Ordinance, the exemptions listed in Section 3 of the Moratorium Ordinance need clarification to address ambiguities concerning the text of certain exemptions; and

WHEREAS, the Planning & Zoning Commission held a public hearing on August 27, 2014, and upon conclusion of said hearing, the Planning & Zoning Commission recommended that the Moratorium Ordinance be extended beyond September 9, 2014 and that the Moratorium Ordinance's exemptions be further clarified by amendment; and

WHEREAS, the City Council held a public hearing on September 9, 2014, and upon conclusion of said hearing, the City Council finds and has determined that additional time is required to allow for public review of the draft regulations before the Planning and Zoning Commission and the City Council; and

WHEREAS, the City Council further finds that it is in the best interest of the City and the public to extend the moratorium to a date certain in order to allow for the completion of regulatory changes to the City's ordinances governing gas well drilling and production activities and the procedures related thereto; and

WHEREAS, the City Council additionally finds and has determined that it is in the best interests of the City to clarify the exemption provisions and to resolve any ambiguities presented in the Moratorium Ordinance regarding such exemptions by amending same; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All of the above recitals are hereby found to be true and correct factual and legislative determinations of the City of Denton, Texas and are hereby approved and incorporated by reference as though fully set forth herein.

SECTION 2. Section 3 of Ordinance No. 2014-192, which ordinance amended Ordinance No. 2014-137, is hereby amended to read in its entirety as follows:

SECTION 3. The following applications are exempt from the moratorium:

- a. Applications for Fire Code operational permits relating to gas well drilling and production activities, which are subject to and consistent with an approved gas well permit issued pursuant to DDC Subchapter 22, as amended by Ordinance Nos. 2013-014 and 2013-304;
- b. Applications for gas well permits, which are subject to and consistent with a gas well development site plan approved pursuant to DDC Subchapter 22, as amended by Ordinance Nos. 2013-014 and 2013-304; and
- c. Applications that are in sequence with the applications described in subsections (a) or (b);

- d. Applications for Fire Code operational permits as they relate to annual inspections, or the burning of gases via open flame, of those gas wells currently in production;
- e. Applications to vacate all, or a portion of, land areas within gas well development plats approved pursuant to the gas well drilling and production regulations in effect prior to the adoption of Ordinance Nos. 2010-181 and 2010-196; or
- f. Applications for permits relating to the drilling of wells, which do not require hydraulic fracturing, in conjunction with the injection or storage of natural gas as personal property beneath the surface of the earth.

SECTION 3. The moratorium established by Ordinance No. 2014-137, as amended by 2014-192, is hereby further extended until midnight of January 20, 2015 under the terms as herein amended, unless earlier terminated by ordinance of the City Council implementing amendments to the City's ordinances governing gas well drilling and production activities and the procedures related thereto.

SECTION 4. This Ordinance shall be cumulative of all provisions of the ordinances of the City of Denton, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the terms of this Ordinance, during its effectiveness, shall prevail over any other conflicting ordinances or provisions thereof.

SECTION 5. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared void, ineffective or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such voidness, ineffectiveness or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation herein of any such void, ineffective or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 6. This Ordinance shall take effect upon its passage and shall remain in effect until midnight January 20, 2015, unless earlier terminated by ordinance of City Council.

PASSED AND APPROVED this 9th day of September, 2014.



CHRIS WATTS, MAYOR

ATTEST:

JENNIFER WALTERS, CITY SECRETARY

BY: Jennifer Walters

APPROVED AS TO LEGAL FORM:

ANITA BURGESS, CITY ATTORNEY

BY: Anita Burgess

EXHIBIT D

ORDINANCE NO. 2015-013

AN ORDINANCE AMENDING ORDINANCE NO. 2014-137, AS AMENDED BY ORDINANCE NOS. 2014-192 AND 2014-276, TO EXTEND FOR AN ADDITIONAL NINETY-ONE (91) DAYS, OR SUCH OTHER REASONABLE DATE, THE MORATORIUM ON THE ACCEPTANCE, PROCESSING AND APPROVAL OF CERTAIN APPLICATIONS FOR GAS WELL PERMITS WITHIN THE CORPORATE LIMITS OF THE CITY OF DENTON, TEXAS, AND ON APPLICATIONS FOR SPECIFIC USE PERMITS, SITE PLANS, DEVELOPMENT PLANS OF ANY NATURE OR TYPE, INCLUDING APPLICATIONS FOR AMENDMENTS TO APPROVED OR PENDING GAS WELL DEVELOPMENT PLATS, AND ON APPLICATIONS FOR FIRE CODE OPERATIONAL PERMITS, AS THEY RELATE TO GAS WELL DRILLING AND PRODUCTION ACTIVITIES, SUBJECT TO CERTAIN EXEMPTIONS; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denton, Texas adopted Ordinance No. 2014-137 (the "Moratorium Ordinance") on May 6, 2014, the terms of which are incorporated by reference, which Moratorium Ordinance imposed until midnight of September 9, 2014, unless earlier terminated by the City Council, a moratorium on the receipt, processing and approval of certain applications seeking authorization for gas well drilling and production activities, as prescribed therein, within the corporate limits of the City of Denton, Texas; and

WHEREAS, the Moratorium Ordinance was adopted to address significant and compelling environmental and land use compatibility concerns associated with gas well drilling activities occurring in close proximity to residential and other protected uses that have resulted in negative and deleterious effects on Denton citizens; and

WHEREAS, as set forth in the Moratorium Ordinance, the City is reviewing its municipal ordinances and regulations to provide for a fair and equitable system of regulations relating to gas well drilling and production activities so as to protect the property interests of mineral estate owners while protecting the rights, opportunities and property interests of surface estate owners and citizens of the City of Denton, Texas; and

WHEREAS, the City Council amended the Moratorium Ordinance on June 17, 2014 by adopting Ordinance No. 2014-192, the terms of which are incorporated by reference, to clarify certain exemptions contained in the Moratorium Ordinance, specifically by revising existing exemptions and by adding additional exemptions; and

WHEREAS, the City Council amended the Moratorium Ordinance on September 9, 2014 by adopting Ordinance No. 2014-276, the terms of which are incorporated by reference, to extend the moratorium until January 20, 2015, so as to allow additional time for a draft ordinance enacting additional regulations related to gas well drilling and production activities and the procedures related thereto to be completed by City Staff and to be presented before the Planning and Zoning Commission and the City Council; and

WHEREAS, the City Staff has completed a draft set of regulations covering gas well drilling and production activities and presented them at a Town Hall Meeting on Monday, December 15, 2014, as well as before the City Council and Planning and Zoning Commission at a Joint Public Hearing on Tuesday, December 16, 2014; and

WHEREAS, many members of the public and members supportive of the natural gas industry attended both meetings and made comments and asked questions regarding the proposed draft set of regulations; and

WHEREAS, many individuals requested that the Moratorium Ordinance be extended beyond January 20, 2015, and in fact, one member of the natural gas industry requested an extension of at least ninety-one (91) days, so as to allow a more thorough review of the proposed changes; and

WHEREAS, in accordance with State law, a Joint Public Hearing between the City Council and the Planning and Zoning Commission was held on Tuesday, January 6, 2015, so as to consider whether to extend the Moratorium Ordinance; and

WHEREAS, at the joint public hearing members of the public and natural gas industry spoke in support of the proposed 91-day extension to the Moratorium Ordinance, so as to allow further review of, and to make possible suggestions to, the draft set of regulations covering gas well drilling and production activities that were released to the public on December 12, 2014; and

WHEREAS, upon conclusion of said Joint Public Hearing, the Planning & Zoning Commission recommended that the Moratorium Ordinance be extended until March 24, 2015; and

WHEREAS, the City Council concurs with the Planning and Zoning Commission's recommendation to extend the Moratorium Ordinance, however the City Council finds it is in the best interest of the City and the public to extend the moratorium for an additional ninety-one (91) days instead of the Planning and Zoning Commission's proposed end date of March 24, 2015, so as to allow for public review of the draft regulations; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All of the above recitals are hereby found to be true and correct factual and legislative determinations of the City of Denton, Texas and are hereby approved and incorporated by reference as though fully set forth herein.

SECTION 2. The moratorium established by Ordinance No. 2014-137, as amended by Ordinance Nos. 2014-192 and 2014 276, is hereby further extended until midnight of April 21, 2015, under the terms as herein amended, unless earlier terminated by ordinance of the City

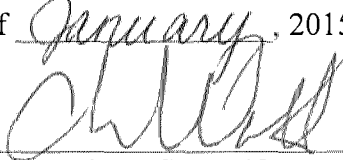
Council implementing amendments to the City's ordinances governing gas well drilling and production activities and the procedures related thereto.

SECTION 3. This Ordinance shall be cumulative of all provisions of the ordinances of the City of Denton, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the terms of this Ordinance, during its effectiveness, shall prevail over any other conflicting ordinances or provisions thereof.

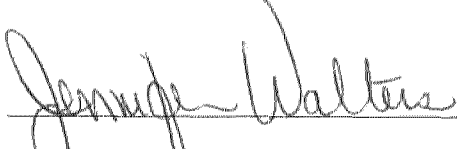
SECTION 4. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared void, ineffective or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such voidness, ineffectiveness or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation herein of any such void, ineffective or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 5. This Ordinance shall take effect upon its passage and shall remain in effect until midnight April 21, 2015, unless earlier terminated by ordinance of City Council.

PASSED AND APPROVED this 6th day of January, 2015.


CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: 

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY


BY: 

EXHIBIT E

ORDINANCE NO. 2015-107

AN ORDINANCE AMENDING ORDINANCE NO. 2014-137, AS AMENDED BY ORDINANCE NOS. 2014-192 2014-276 AND 2015-013, TO EXTEND FOR AN ADDITIONAL ONE HUNDRED AND NINETEEN (119) DAYS, OR SUCH OTHER REASONABLE DATE, THE MORATORIUM ON THE ACCEPTANCE, PROCESSING AND APPROVAL OF CERTAIN APPLICATIONS FOR GAS WELL PERMITS WITHIN THE CORPORATE LIMITS OF THE CITY OF DENTON, TEXAS, AND ON APPLICATIONS FOR SPECIFIC USE PERMITS, SITE PLANS, DEVELOPMENT PLANS OF ANY NATURE OR TYPE, INCLUDING APPLICATIONS FOR AMENDMENTS TO APPROVED OR PENDING GAS WELL DEVELOPMENT PLATS, AND ON APPLICATIONS FOR FIRE CODE OPERATIONAL PERMITS, AS THEY RELATE TO GAS WELL DRILLING AND PRODUCTION ACTIVITIES, SUBJECT TO CERTAIN EXEMPTIONS; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denton, Texas adopted Ordinance No. 2014-137 (the "Moratorium Ordinance") on May 6, 2014, the terms of which are incorporated by reference, which Moratorium Ordinance imposed until midnight of September 9, 2014, unless earlier terminated by the City Council, a moratorium on the receipt, processing and approval of certain applications seeking authorization for gas well drilling and production activities, as prescribed therein, within the corporate limits of the City of Denton, Texas; and

WHEREAS, the Moratorium Ordinance was adopted to address significant and compelling environmental and land use compatibility concerns associated with gas well drilling activities occurring in close proximity to residential and other protected uses that have resulted in negative and deleterious effects on Denton citizens; and

WHEREAS, as set forth in the Moratorium Ordinance, the City is reviewing its municipal ordinances and regulations to provide for a fair and equitable system of regulations relating to gas well drilling and production activities so as to protect the property interests of mineral estate owners while protecting the rights, opportunities and property interests of surface estate owners and citizens of the City of Denton, Texas; and

WHEREAS, the City Council amended the Moratorium Ordinance on June 17, 2014 by adopting Ordinance No. 2014-192, the terms of which are incorporated by reference, to clarify certain exemptions contained in the Moratorium Ordinance, specifically by revising existing exemptions and by adding additional exemptions; and

WHEREAS, the City Council again amended the Moratorium Ordinance on September 9, 2014, by adopting Ordinance No. 2014-276, the terms of which are incorporated by reference, to extend the moratorium until January 20, 2015, so as to allow additional time for a draft ordinance enacting additional regulations related to gas well drilling and production activities and the procedures related thereto to be completed by City Staff and to be presented before the Planning and Zoning Commission and the City Council; and

WHEREAS, the City Council amended the Moratorium Ordinance on January 6, 2015, by adopting Ordinance No. 2015-103, until midnight of April 21, 2015, based on the requests of members of the public and of the natural gas industry to extend the moratorium so as to allow further review of, and to make possible suggestions to, the draft set of regulations covering gas well drilling and production activities that were released to the public on December 12, 2014; and

WHEREAS, the City Staff completed another draft set of regulations covering gas well drilling and production activities, based on suggestions proposed by members of the public and by the natural gas industry, and made the new set of regulations available for public inspection on the City's website on March 31, 2015; and

WHEREAS, the City has received a request from the natural gas industry to extend the moratorium for at least another ninety (90) days to allow for review, and to make possible suggestions to, the new draft set of gas well regulations; and

WHEREAS, since the current price of natural gas is low, the natural gas industry does not plan to engage in gas well drilling and production activities in the near future, and thus an extension to the moratorium will not be detrimental to their current operations; and

WHEREAS, in addition, there are two bills pending in the current Texas Legislative Session, House Bill 40 and Senate Bill 1165, that have the potential to adversely impact the City's proposed draft set of regulations covering gas well drilling and production activities, as well as its current set of regulations as they appear in Subchapter 22 of the Denton Development Code; and

WHEREAS, one or both of these legislative bills may not be passed by the Texas Legislature until after the current April 21, 2015 Moratorium Ordinance expiration date, and additional time is necessary to determine whether one or both bills pass, as well as what adverse impacts one or both of these bills may have on the proposed draft and current set of gas well regulations; and

WHEREAS, in accordance with State law, a Public Hearing by the Planning and Zoning Commission was held on Wednesday, April 8, 2015, so as to consider whether to extend the Moratorium Ordinance, and upon conclusion, the Planning and Zoning Commission recommended that the Moratorium Ordinance be extended until midnight of Tuesday, August 18, 2015; and

WHEREAS, in accordance with State law, a Public Hearing was held by the City Council Tuesday, April 14, 2015, so as to consider whether to extend the Moratorium Ordinance; and

WHEREAS, the City Council concurs with the Planning and Zoning Commission's recommendation to extend the Moratorium Ordinance, and the City Council finds it is in the best interest of the City and the public to extend the moratorium until midnight of Tuesday, August 18, 2015, so as to allow for public review of the draft regulations, as well as to allow the City to

determine how House Bill 40 and/or Senate Bill 1165 adversely impact the City's draft and current set of gas well regulations; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All of the above recitals are hereby found to be true and correct factual and legislative determinations of the City of Denton, Texas and are hereby approved and incorporated by reference as though fully set forth herein.


SECTION 2. The moratorium established by Ordinance No. 2014-137, as amended by Ordinance Nos. 2014-192, 2014-276 and 2015-013, is hereby further extended until midnight of August 18, 2015, under the terms as herein amended, unless earlier terminated by ordinance of the City Council implementing amendments to the City's ordinances governing gas well drilling and production activities and the procedures related thereto.

SECTION 3. This Ordinance shall be cumulative of all provisions of the ordinances of the City of Denton, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances, in which event the terms of this Ordinance, during its effectiveness, shall prevail over any other conflicting ordinances or provisions thereof.

SECTION 4. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared void, ineffective or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such voidness, ineffectiveness or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs or sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation herein of any such void, ineffective or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 5. This Ordinance shall take effect upon its passage and shall remain in effect until midnight August 18, 2015, unless earlier terminated by ordinance of City Council.

PASSED AND APPROVED this 14th day of April, 2015.



CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: Jennifer Walters

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

BY: Anita Burgess

EXHIBIT F

INITIATIVE ORDINANCE NO. 2014-01

CITY OF DENTON, TEXAS

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS, AMENDING CHAPTER 16, "LICENSES, PERMITS AND BUSINESS REGULATION," OF THE CODE OF ORDINANCES OF THE CITY OF DENTON, TEXAS, BY ADDING A NEW ARTICLE VII, "PROHIBITION OF HYDRAULIC FRACTURING," GENERALLY PROVIDING THAT HYDRAULIC FRACTURING OPERATIONS ARE PROHIBITED IN THE CITY OF DENTON; MAKING FINDINGS; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY; AND PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, as a Texas home-rule municipality pursuant to Article II, Section 5, of the Texas Constitution, the City of Denton, Texas ("City"), may enact regulations not inconsistent with the general laws of the State of Texas in the interest of the health, safety and welfare of the citizens of the City; and

WHEREAS, natural gas drilling and production operations in general involve or otherwise impact the City's environment, infrastructure and related public health, welfare and safety matters, including but not limited to noise issues, road repair issues due to use of heavy equipment, site security and signage issues, issues related to operating hours, venting of gas, fire suppression issues, lighting issues, containment systems, hazardous materials management, spill issues, operator insurance issues, environmental impairment matters and other regulatory issues; and

WHEREAS, there is an abundance of reports, studies, information and data about the effects of natural gas drilling on public health, welfare and safety, some of which reports, studies, information and data are contradictory, and due to such, many of the City's residents have undertaken extensive study to determine what, if any, effects natural gas drilling may have on the public health, welfare and safety of Denton and its residents; and

WHEREAS, the well stimulation process known as hydraulic fracturing is used to extract oil, gas, and other hydrocarbons through the underground injection of water, gels, acids or gases, sands or other proppants along with chemical additives, many of which chemicals are known to be toxic; and

WHEREAS, during hydraulic fracturing, chemicals and waste fluid pumped into such wells may be introduced into and could contaminate drinking water aquifers; and

WHEREAS, it is the purpose of this Ordinance to protect the public health, safety and welfare, the environment, and property values by prohibiting hydraulic fracturing within the City of Denton, Texas; and

WHEREAS, this Ordinance is enacted pursuant to the right of the residents of the City of Denton to govern their own community, specifically with regard to the well stimulation process known as hydraulic fracturing, as referenced in this Ordinance; and

WHEREAS, the citizens of Denton are seeking to protect themselves from the dangers associated with hydraulic fracturing, including ground and surface water contamination, air pollution, property devaluation, and other threats to the public safety, health, and welfare; and

WHEREAS, more than ten years of experience has proved that meaningful limitations concerning hydraulic fracturing, along with other land use provisions, are ineffective for a variety of reasons, including both legal and regulatory; and

WHEREAS, the citizens of Denton recognize that their shared values of environmental and economic sustainability and a commitment to renewable forms of energy cannot be achieved if these goals are routinely thwarted by oil and natural gas producers and corporations; and

WHEREAS, it is neither the intent nor the purpose of this Ordinance to rezone property and/or otherwise engage in land use regulation authorized by Chapter 211 of the Texas Local Government Code, as amended; rather, it is the intent of this Ordinance to regulate certain aspects of business operations that impact the public safety, health, and welfare; and

WHEREAS, the citizens of Denton believe that the protection of the City's residents, neighborhoods, community integrity, and the natural environment is an appropriate purpose for the adoption of this Ordinance and as such, the City is legally authorized to adopt this Ordinance pursuant to its police powers.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS, THAT:

SECTION 1

The matters and facts recited in the preamble to this Ordinance are hereby found and determined to be true and correct and incorporated herein by reference as if fully set forth herein.

SECTION 2

From and after the effective date of this Ordinance, Chapter 16, "Licenses, Permits and Business Regulation," of the Code of Ordinances of the City of Denton, Texas, is hereby amended by adding a new Article VII, "Prohibition of Hydraulic Fracturing," to read as follows:

ARTICLE VII PROHIBITION OF HYDRAULIC FRACTURING

Sec. 14.200. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Fluid means any material or substance which flows or moves whether in semi-solid, liquid, sludge, gas, or any other form or state.

Gas means all natural gas, whether hydrocarbon or non-hydrocarbon, including hydrogen sulfide, helium, carbon dioxide, nitrogen, hydrogen, casinghead gas, and all other fluid hydrocarbons not defined as oil.

Hydraulic fracturing means the process of directing pressurized fluids containing any combination of water, proppant, and any added chemicals to penetrate tight formations, such as shale or coal formations, that subsequently require high rate, extended flowback to expel fracture fluids and solids during completions.

Oil means crude petroleum, oil, and all hydrocarbons, regardless of specific gravity, that are in the liquid phase in the reservoir and are produced at the wellhead in liquid form.

Oil and gas means both oil and gas, or either oil or gas, as the context may require to give effect to the purposes of this article.

Person means any person, firm, association of persons, company, corporation, or their agents, servants, or employees.

Sec. 14.201 Prohibition of Hydraulic Fracturing.

It shall be unlawful for any person to engage in hydraulic fracturing within the corporate limits of the City.

Sec. 14.202 Penalty.

The violation of or noncompliance with this article by any person, firm, association of persons, company, corporation, or their agents, servants, or employees shall be punishable as a misdemeanor and upon conviction, such person, firm, association, company, corporation or their agents, servants or employees shall be fined a sum not less than one dollar (\$1.00) but shall not exceed two thousand dollars (\$2,000.00), and each day any violation or noncompliance continues shall constitute a separate and distinct offense."

SECTION 3

All ordinances, orders or resolutions heretofore passed and adopted by the City Council of the City of Denton, Texas, are hereby repealed to the extent that said ordinances, resolutions, or parts thereof, are in conflict herewith.

SECTION 4

If any section, subsection, clause, phrase or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unconstitutional, the remaining sections, subsections, clauses, phrases and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

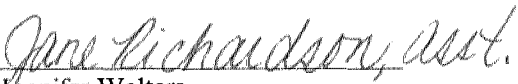
SECTION 5

Any person, firm or corporation violating any of the provisions or terms of this Ordinance shall be deemed guilty of a misdemeanor and, upon conviction, shall be punished pursuant to the provisions contained in Section 14.202 of the Code of Ordinances of the City of Denton, Texas, as amended.

SECTION 6

This Ordinance shall be in full force and effect from and after its passage and publication as provided by law, and it is so ordained.

I, the undersigned City Secretary of the City of Denton, Texas, do hereby certify that the above initiative ordinance is an official ordinance of the City of Denton pursuant to an initiative petition, election and canvassing of results.


Jennifer Walters
City Secretary

Dated 11/18/2014

EXHIBIT G

Effective: May 18, 2015

Vernon's Texas Statutes and Codes Annotated [Currentness](#)

Natural Resources Code [\(Refs & Annos\)](#)

Title 3. Oil and Gas [\(Refs & Annos\)](#)

Subtitle A. Administration

▢ [Chapter 81](#). Railroad Commission of Texas [\(Refs & Annos\)](#)

▢ [Subchapter C](#). Jurisdiction, Powers, and Duties

→→ **§ 81.0523. Exclusive Jurisdiction and Express Preemption**

(a) In this section:

(1) “Commercially reasonable” means a condition that would allow a reasonably prudent operator to fully, effectively, and economically exploit, develop, produce, process, and transport oil and gas, as determined based on the objective standard of a reasonably prudent operator and not on an individualized assessment of an actual operator's capacity to act.

(2) “Oil and gas operation” means an activity associated with the exploration, development, production, processing, and transportation of oil and gas, including drilling, hydraulic fracture stimulation, completion, maintenance, reworking, recompletion, disposal, plugging and abandonment, secondary and tertiary recovery, and remediation activities.

(b) An oil and gas operation is subject to the exclusive jurisdiction of this state. Except as provided by Subsection (c), a municipality or other political subdivision may not enact or enforce an ordinance or other measure, or an amendment or revision of an ordinance or other measure, that bans, limits, or otherwise regulates an oil and gas operation within the boundaries or extraterritorial jurisdiction of the municipality or political subdivision.

(c) The authority of a municipality or other political subdivision to regulate an oil and gas operation is expressly preempted, except that a municipality may enact, amend, or enforce an ordinance or other measure that:

(1) regulates only aboveground activity related to an oil and gas operation that occurs at or above the surface of the ground, including a regulation governing fire and emergency response, traffic, lights, or noise, or imposing notice or reasonable setback requirements;

(2) is commercially reasonable;

(3) does not effectively prohibit an oil and gas operation conducted by a reasonably prudent operator; and

(4) is not otherwise preempted by state or federal law.

(d) An ordinance or other measure is considered prima facie to be commercially reasonable if the ordinance or other measure has been in effect for at least five years and has allowed the oil and gas operations at issue to continue during that period.

CREDIT(S)

Added by [Acts 2015, 84th Leg., ch. 30 \(H.B. 40\), § 2, eff. May 18, 2015](#).

HISTORICAL AND STATUTORY NOTES

2015 Electronic Update

2015 Legislation

Section 1 of Acts 2015, 84th Leg., ch. 30 (H.B. 40) provides:

“The legislature finds that the laws and policy of this state have fostered successful development of oil and gas resources in concert with the growth of healthy and economically vibrant communities for over 100 years. The legislature acknowledges this cooperative progress and that mutual benefit is derived from the statutes already in effect, which provide effective and environmentally sound regulation of oil and gas operations that is so comprehensive and pervasive that the regulation occupies the field, while facilitating the overriding policy objective of this state of fully and effectively exploiting oil and gas resources while protecting the environment and the public's health and safety. The legislature recognizes that in order to continue this prosperity and the efficient management of a key industry in this state, it is in the interest of this state to explicitly confirm the authority to regulate oil and gas operations in this state. The legislature intends that this Act expressly preempt the regulation of oil and gas operations by municipalities and other political subdivisions, which is impliedly preempted by the statutes already in effect.”

V. T. C. A., Natural Resources Code § 81.0523, TX NAT RES § 81.0523

Current through Chapters effective immediately through Chapter 46 of the 2015 Regular Session of the 84th Legislature

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