



Agenda Information Sheet

May 28, 2015

Agenda Item

Consider approval of an oil and gas well permit for the Valence Operating Company for Well #5H, located east of Highway 59 South and north of Martin Lake Road. (Director of Planning & Development)

Background & Summary of Request:

Approval of this item would grant the applicant authority to drill and operate a gas well located in the southeast quadrant of the City. This request was previously approved over a year ago but the approved permit expired before work could be started.

The proposed well site is approximately 478 feet to the closest residential or commercial structure; the ordinance requires a minimum of 300 feet distance.

The attached application meets the requirements of Section 20A of the Code of Ordinances titled Oil & Gas Wells.



May 27, 2015

Mr. J. W Clark
City of Marshall
401 S. Alamo
Marshall, Texas 75670

Reference: Application to Drill and Operate the Martin Heirs Gas Unit Well #5H

Dear Mr. Clark:

Valence Operating Company requests a permit to drill and operate the Martin Heirs Gas Unit Well #5H in Harrison County, Texas. The proposed well is located inside the City Limits of Marshall.

The Martin Heirs 5H was previously approved (permit 2014-G001). The permit expired April 10, 2015. The well has been re-staked approximately 200 feet east of the previously approved location.

Enclosed for your use are the City of Marshall Oil & Gas Wells Permit Form, a plat showing the location of the well, all buildings and easements near the well, a copy of our insurance certificate, and a check in the amount of \$500.00 for the filing fee.

We are anxious to proceed with the construction of the wellsite and the drilling of the well and would like to have the permit approved, expeditiously.

Please contact me if you need any additional information, have any other questions or concerns.

Sincerely,

Edward R. Earles

City of Marshall, Texas
Department of Public Works / Utilities
Engineering Department

OIL & GAS WELLS PERMIT APPLICATION

Page 1 of 2

Date of Application: 5/27/2015 Filing Fee: \$500.00
Receipt No.: _____
Name of Applicant: Valence Operating Company
Applicant's Agent: Edward R. Earles
Address of Applicant: 600 Rockmead Drive, Suite 200
Kingwood, Texas 77339
Telephone No. of Applicant: 281-359-3659 Fax No.: 281-358-5333

Proposed Site of Well:

Name of Fee Owner of Property: Mrs Inez Hughes C/O J. W. Westmoreland, Jr.
Address: P. O. Box 201
Woodlawn, Texas 75694

Name of Lease Owner: Valence Operating Company
Address: 600 Rockmead Drive,
Kingwood, Texas 77339

Description of Property: 33.276 Acres, more or less in the Joseph Fields
(Lot No., Block No., Subdivision) Survey, Harrison County, Texas and described
certain deed dated 11/12/1964, from Inez Hatley
Hughes, Grantor & recorded in the Official Deed
Records, Volume 624, Pg 624, Harrison County, Texas
Acreage of Property: 33.276 Acres (Minimum of 3)

Well Drilling Information:

Type of Derrick: Martin Heirs #5H
Derrick will be a portable pyramid

Proposed Depth of Well: 10,200 feet TVD Feet (Maximum 20,000)

Required Attachments:

Attach Plat Drawing showing location of well and any structures or utility easements within three hundred feet (300'). No well may be located closer than fifty feet (50') to any existing utility easement.

Attach written permission of property owners if well is within three hundred feet (300') of a residence or commercial structure.

Certification by Applicant:

Applicant, by and through its authorized Agent, hereby certifies that all information provided on and with this form is accurate and correct.

Signed: Edward R. Earles
Applicant's Agent

Date: 5/27/2015

Permit Reviewed by Oil & Gas Inspector/City Engineer:

Permit Complete and Complies with Chapter 20A (Yes) No

Signed: John W. Clark
City Engineer

Date: 5/28/15

Permit Reviewed by City Commission:

Date: _____

Permit Action Approved Denied

Signed: _____
City Manager

Date: _____

If approved by the City Commission, an Oil & Gas Well Permit will be prepared to specify any conditions related to the drilling and operation of the oil or gas well. The Applicant must then file with the City Secretary a bond or certificate of insurance as stipulated by the Permit. The Permit will then be executed by Applicant and by the City Manager.

All Bearings, Distances and Coordinates shown hereon are based on the Texas State Plane Coordinate System, N.A.D. 83 Datum, North Central Zone.

The purpose of this plat is to show the relationship of proposed Martin Heirs No.5H Well and the existing Buildings within 300 Feet, and should not be relied on for any other purpose.

- |— Pipeline
- X— Fence
- P— Power line
- T— Buried Cable
- ...— Creek



1-20

50 AC. TR 1
354/336

25 AC. TR 2
354/336

I-20 R-O-W LINE

TRUCK STOP LOT

EXISTING BUILDING LINE

POWER LINE

300' RADIUS FROM WELL

EXISTING MARTIN HEIRS NO.3

PROPOSED MARTIN HEIRS NO.5H

33.276
604/624

478'

216'

382'

131'

EXISTING ACCESS ROAD

EXISTING SEWER LINE

EXISTING PIPELINE

EXISTING POWER LINE

UNIT LINE

EXISTING POWER LINE

MARTIN LAKE RD.

SURVEY LINE

J. PAGE SURVEY

A-538

JOS. FIELDS

A-249

**EXHIBIT PLAT
SHOWING
PROPOSED WELL LOCATION
VALENCE OPERATING COMPANY
MARTIN HEIRS NO.5H**

1" = 200'

NOTE: INFORMATION SHOWN HEREON IS INTENDED FOR THE SOLE USE OF VALENCE OPERATING COMPANY.

I HEREBY CERTIFY THIS PLAT TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

BY:

JOHN R. NOWLIN
REGISTERED PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 4898



REV: 5-22-2014
2-26-2014

PREPARED BY:
STANGER
SURVEYING TYLER, LLC

1595 E. Grande Blvd.
Tyler, TX 75703
(903) 534-0174

TBPLS FIRM REGISTRATION # 10025700

0 200 400 600



T140032-EXH-R



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/10/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER John L. Wortham & Son, L.P. P. O. Box 1388 Houston, TX 77251-1388	CONTACT NAME: John L. Wortham & Son, L.P.	
	PHONE (A/C, No, Ext): 713-526-3366	FAX (A/C, No): 713-521-1951
E-MAIL ADDRESS:		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: Gemini Insurance Company		10833
INSURER B: Berkley Regional Insurance Company		29580
INSURER C: Tri State Insurance Company of Minnesota		31003
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
 Valence Operating Company
 600 Rockmead Drive, #200
 Kingwood TX 77339-2111

COVERAGES

CERTIFICATE NUMBER: 20463490

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER		JGH2001705	6/10/2014	6/10/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		ECA311807010	6/10/2014	6/10/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		JUH2001523	6/10/2014	6/10/2015	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 Products-Comp/Op Agg \$ 10,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A	EWC311808510	6/10/2014	6/10/2015	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

City of Marshall
 Attn: Mr. John Potterfield,
 City Engineer
 401 South Alamo
 Marshall TX 75671

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

John L. Wortham & Son, L.P.

John L. Wortham & Son, L.P.

© 1988-2014 ACORD CORPORATION. All rights reserved.

ACORD 25 (2014/01)

The ACORD name and logo are registered marks of ACORD

**OIL & GAS WELL PERMIT
CITY OF MARSHALL, TEXAS**

Permit Number: 2015-G001

Date of Issuance: _____

Permission is hereby granted to Valence Operating Company

Applicant/Permittee

To drill and operate a well [oil _____ or gas x] within the City of Marshall, Texas

at Martin Heirs, Well # 5H

Location

Jos. Fields Survey A-249

On Lot No. _____ Block No. _____

Addition or Subdivision

subject to the requirements and conditions of Article 20A of the Code of Ordinances of the City of Marshall. All the provisions of Article 20A are incorporated herein by reference, with the force and effect as if Article 20A were coed verbatim herein. The term of this permit shall be for a period of one year from the issuance date above, and as long thereafter as the Permittee is actively engaged in drilling operations with no cessations of such operations for more than ninety calendar days, or oil or gas is produced in commercial quantities from the well drilled pursuant to this Permit.

A bond or certificate of insurance in the amount of five hundred thousand dollars (\$500,000.00) must be in effect and on File with the City Secretary. Bond or certificate of insurance must be effective on or before the issuance date above and shall remain in full force and effect for at least a period of six months after expiration of this permit. The board or certificate of insurance shall be conditioned that the Permittee will promptly pay off fines, penalties and other assessments imposed upon Permittee by reason of its breach of any terms, provisions and/or conditions of Article 20A; and that Permittee will promptly restore any street, sidewalk or other public property of the City which may be disturbed or damaged by Permittee's operations; and that Permittee will promptly clear all litter, trash, waste and other substances used, allowed or occurring in the drilling or producing operations; and after abandonment, Permittee will grade, level and restore said property to the same surface condition as existed when operations were first commenced; and that Permittee will indemnify and hold harmless the City of Marshall from any and all liability growing out of or attributable to the granting of this permit.

City of Marshall, Texas

By: _____

City Manager

NOTE: This Permit must be tacked on a board and prominently displayed at the site of the oil or gas well.

City of Marshall, Texas

401 South Alamo * P.O. Box 698 * Marshall, Texas 75671 * Telephone - (903) 935-4400 * Fax - (903) 935-4409