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April 2, 2014

VIA EMAIL

Mayor Bryan K. Barnett
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309

City Council
City of Rochester Hills
1000 Rochester Hills Drive
Rochester Hills, MI 48309

Re: *Oil & Gas Wells Ordinance*

Dear Mayor and City Councilmembers:

I have prepared and enclose a further revised draft of a proposed ordinance to amend the City Zoning Ordinance to add new Section 138-4.425 Oil and Gas Wells. As drafted the proposed ordinance amendment would not restrict oil and gas wells to any particular zoning district, nor will it require any City permit or approval for a new oil or gas well. But, the ordinance will establish setbacks and apply various operational and performance standards intended to control potential nuisance aspects of the well and to protect public and environmental safety. I believe these proposed local standards are consistent with and do not conflict with federal or state rules and regulations.

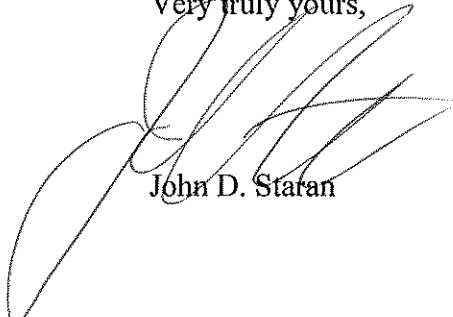
The proposed ordinance relates to the drilling and operation of oil and gas wells. The ordinance would prohibit storage or processing of oil and gas at the well site. Under the City's zoning ordinance, such storage or processing would be relegated to industrial zoning as a conditional use.

Jordan spokespersons have represented that if they eventually drill for oil in Rochester Hills, they do not intend to store or process oil at the well site, but rather, will seek to connect to an existing, nearby pipeline to transport the oil they extract. Consequently, I am enclosing for City Council's consideration a copy of Howell Township's Pipeline Ordinance which Councilmember Morita brought to my attention. Under the Howell ordinance, a local permit is necessary to install and operate a pipeline in Howell Township. The ordinance does not say, but presumably it applies only to pipelines that are not interstate pipelines under federal jurisdiction nor intrastate pipelines under Michigan Public Service Commission jurisdiction. If Council is interested in developing a pipeline ordinance for Rochester Hills, we can work on that.

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If City Council is inclined to proceed with the oil and gas well ordinance amendment, then the appropriate next step would be for Council to refer the proposed ordinance to the City Planning Commission for public hearing and recommendation.

Very truly yours,

A handwritten signature in black ink, appearing to read "John D. Staran", written over the typed name.

John D. Staran

JDS/ijd
Enclosure

cc: Mr. Ed Anzek, Planning Director