



CITY COUNCIL COMMUNICATION

October 13, 2009

SUBJECT: HOLD PUBLIC HEARING AND CONSIDER REQUEST FOR GAS WELL PAD SITE PERMIT REVEILLE 1H, 2H - CASE NO. 09-10-CC

SUBMITTED BY: Chris Barker, Director of Planning and Development

REFERENCE NO: 09-10-CC

ACTION REQUESTED:

Approve a request for a Gas Well Pad Site Permit proposed to be located on James M Matson Survey, A-1080, Tract 3B at 1051 Westpark Way (the northeast corner of West Pipeline Road and Westpark Way).

ALTERNATIVES:

1. Approve the request – *simple majority*
2. Approve the request with modifications – *simple majority*
3. Deny the request – *simple majority*

SUMMARY OF SUBJECT:

David H. Arrington Oil and Gas Inc., a gas well operator, has applied for a Gas Well Pad Site Permit for a 2.788 acre parcel located at the northeast corner of West Pipeline Road and Westpark Way. The operator intends to construct a gas well pad site and drill two gas wells on the site. The gas well drilling unit is titled the Reveille 1H, 2H unit as permitted by the Texas Railroad Commission. David H. Arrington Oil and Gas Inc. owns the parcel on which they are requesting the permit.

The City Council approved Ordinance No. 1852 in June 2009 modifying the Gas Well Drilling Ordinance to separate the permitting process into a Gas Well Pad Site Permit and a Gas Well Operations Permit. Ordinance No. 1852 dictates that if the proposed wellheads are intended to be located between two hundred (200') feet and four hundred (400') feet of any commercial, residential or public building structure then a simple majority City Council decision is required in order to issue the permit for the pad site.

Setback Distances

The two wells intended for drilling are located within six hundred (600') feet of eight structures, four of which are located closer than four hundred (400') feet. The operator has procured signed waivers from the ownership of all structures located within six hundred (600') feet of the proposed wellheads with the sole exception being that of the City of Euless owned structure located at 1100 Westpark Way (the former Fire Station).

The proposed production layout of the pad site indicates that all final production equipment including containment layout and storage tanks will be in compliance with required setbacks from property lines and adjacent structures.

Transportation Route

The operation intends to utilize State Highway 10 (Euless Blvd) and an eight hundred sixty-five (865') foot section of Westpark Way as the transportation route to bring construction, drilling and completion equipment and supplies to the site in order to complete the drilling process. Access to the site will be from a drive approach to Westpark Way, designed to City of Euless standards, at the north end of the subject parcel. If the permit is approved, the transportation route will be part of the conditions of the permit and would prohibit any truck traffic associated with the gas well pad site from utilizing an alternative route north on Westpark Way accessing SH 183.

As part of the gas well operations permit, the operator will enter into a road damage mitigation agreement with the City of Euless to compensate any damage the additional truck traffic associated with the gas well operations will have on the 865' of Westpark Way identified in the transportation route, as this section of roadway is maintained by the City of Euless. Additionally, the operator has agreed to employ traffic control personnel when moving drilling equipment onto and off of the pad site location and for other large or multiple load equipment moves at the discretion of the City.

The drive approach on the subject parcel will be designed and installed as a seventy five (75') foot concrete drive. A tier mud shaker (grate) will be located at the junction of the pad site and the concrete drive and the operator will provide street sweeping services as necessary and required by the city during the pre-production period. A manually operated security gate will be located at the end of the drive.

Noise Mitigation

At the request of staff, the operator has, through computer modeling, shown the potential impact nuisance noise generated by the drilling operation may have on surrounding property as well as measured the existing pre-drilling average ambient noise level. Ordinance No. 1852 requires that the drilling operations not generate any noise greater than 78 dB (decibels) as measured at a distance three hundred (300') feet from the source of the noise. The operator intends to construct a sixteen (16') foot high noise attenuation barrier (sound blanket) along the northern, western, eastern and southern sides of the rig operations, This

barrier would surround the diesel engines used to run the rig electric generation and the areas surrounding the wellheads where the greatest amount of noise is generated. Post mitigation noise computer modeling has shown the proposed noise attenuation measures to provide significant noise reduction to the adjacent properties and neighborhoods.

Water Usage

The gas well operation will utilize fresh surface water (a tank) to be located on the adjacent property to the east. This property owner would be responsible for the permitting and construction of the surface water tank in compliance with all federal, state and local requirements.

Final Site

Once drilling operations have completed, the operator will construct a perimeter surrounding wall comprised of a masonry wall to the north, west and a portion of the southern pad site which is parallel to West Pipeline Road. The remainder of the perimeter wall to the south and to the east of the pad site will be fenced with a steel or aluminum fence in a wrought iron style. The applicant would be required to begin the installation of the required fencing within 30 days of the completion of the wells. It is anticipated that the completion of the wells would occur approximately 90 days from the commencement of work at the location. Staff will work with the operator during the final design phase of the site to install landscaping in accordance with the City of Euless landscape requirements.

Next Steps

If the Gas Well Pad Site Permit is approved by the City Council, the operator intends to submit an application for the Gas Well Operations Permits for both wellheads. The Gas Well Operations Permit is a technical permit and would be reviewed and approved at the staff level.

As required by ordinance, the Inspection Services Provider, Mr. David Lunsford with Universal Pegasus International, has completed his review of the application and has provided a letter recommending approval of the Gas Well Pad Site Permit.

Staff has reviewed the Gas Well Pad Site Permit for technical criteria as required by City Ordinance No. 1852 and has certified that the documentation submitted by the operator is in compliance with all applicable City regulations.

SUPPORTING DOCUMENTS:

- Exhibits
- Application
- Letters: David H. Arrington Oil and Gas, Inc.
- Recommendation Letter: Inspection Services Provider
- Signed Waivers
- Comments of Approval
- Comments of Protest
- Map 1, Map 2, and Map 3

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **KS** _____

City Secretary's Office