

2011 Oil and Gas Ordinance/Pipeline Ordinance Modifications

As a result of Town Council and citizen input at the June 20, 2011, Town Council meeting, modifications were suggested to both the proposed Oil and Natural Gas Well Drilling and Operations Ordinance and Oil and Gas Pipeline Standards Ordinance. Please note that minor non-substantive wording/formatting changes were made in both Ordinances.

Oil and Natural Gas Well Drilling and Operations Ordinance

1. Section 34-417: Addition of a definition of “best management practices.” “Best management practices” are defined as “state-of-the-art mitigation measures applied on a site-specific basis to reduce, prevent or avoid adverse environmental or social impacts, and for purposes of this article, best management practices include those practices recommended by the American Petroleum Institute (A.P.I.), the United States Environmental Protection Agency’s Natural Gas STAR Program, and/or other similarly recognized program, acceptable to and approved by the town.”

2. Section 34-422(h): Two notices of violation in a twelve-month period trigger an emissions compliance plan, instead of two notices of violation in a six-month period.

3. Section 34-426((B)(1)(c): Clarification of bonding amounts for single wells and pad sites. The bond amount for a single well remains at \$50,000 and shall never be less than \$200,000 per pad site. After all drilling operations have ceased on a pad site, and there is no re-working of the well, the bond may be reduced to \$10,000 per well. If there is any re-working of the well, bond amounts increase to back to \$50,000 per single well/\$200,000 per pad site.

4. Section 34-427(a)(19): Water analysis required for any fresh water well within 1,500 feet of a gas well (instead of within 1,000 feet a gas well).

5. Section 34-427(a)(27): Clarification of the “muffling exhaust” requirement by adding provisions that if there are two or more notices of violation during any twelve-month period, an emissions compliance plan pursuant to Section 34-422(h) is required. Additionally, this section was made applicable to any drilling completion or production equipment, which would include any hydraulic fracturing operations.

6. Section 34-427(a)(39): The following wording was added to the requirements for tank battery facilities: “An operator shall eliminate, capture or destroy any and all emissions emanating from any tanks.” This addresses concerns about vapor recovery issues expressed at the June 20 Town Council meeting.

7. Section 34-428(a)(1) and (a)(1)(b): A landscape plan is required for pad site perimeter vegetation and at least 50% of the vegetation must be evergreen.

Oil and Gas Pipeline Standards Ordinance

1. Section 34-470(a)(2): Public liability insurance increased from \$1,000,000 to \$2,000,000 for one person.

2. Section 34-470(b): Town may adjust minimum limits of liability insurance limits every two years instead of every five years.