

# Town Council Meeting

## June 21, 2010

“Oil and Gas Pipeline Standards”  
Agenda Item #16

# Pipeline Regulations

- Specific Use Permit (SUP) requirements for centralized natural gas production facilities were approved by Town Council in January
- Moratorium and temporary suspension approved on June 7 to allow for a review process for natural gas drilling and production operations
- June 21 Town Council review of the SUP requirements for centralized natural gas production facilities and pipeline standards

# Centralized Natural Gas Production Facilities

- Prior amendments established requirements for gas well production equipment serving multiple gas well pad sites
  - Production fluid or produced water pipelines
  - Centralized production fluid storage and collection facilities
  - Centralized natural gas compression facilities; natural gas production pipelines and gas lift pipelines

# Pipeline Ordinance Review

- Centralized natural gas production definitions and requirements deleted
- Compression facility requirements for production gas compression and gas lift compression amended in Section 34-454(j)
- New Section 34-472 to retain enhanced pipeline standards
- New Section 34-473 requires a zoning amendment for a produced water storage facility application
- New Article IX to address vested rights; added a review process

# Natural Gas Compression Facilities

- Natural gas compression facilities receive natural gas from pipelines from producing gas wells to transport and distribute the gas
- Natural gas compression facilities may also function to distribute natural gas through pipelines for gas lift operations

# Gas Lift Compression Facilities

- Gas lift is a method of injecting gas into a completed well to enhance production; it is often conducted on an as needed or temporary basis for wells
- A gas lift compression facility could operate at the individual pad sites, or a facility could consist of a compressor and pipeline system utilized to transport the gas to multiple pad sites and off-site gas wells

# Compression Facility Options

- There are currently compression facilities in the Town that serve multiple gas well pad sites
- No additional compression facilities have been permitted that serve multiple pad sites
- Option 1: compression facilities could be permitted under the current regulations as on-site compression facilities serving gas wells at the individual pad sites
- Option 2: compression facilities could be permitted to receive natural gas from multiple pad sites and properties

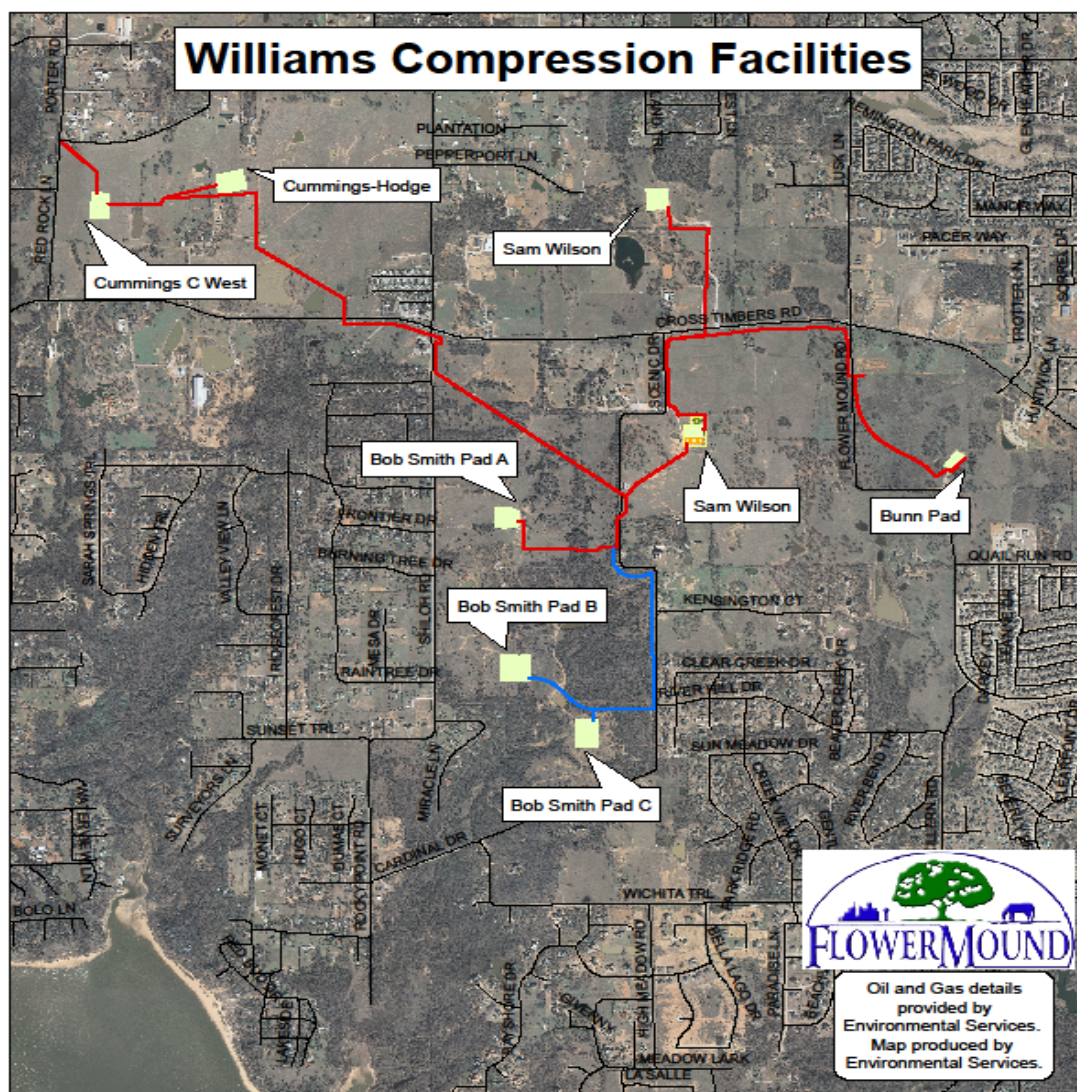
# Compression Facility Requirements

- Section 34-454(j) – General Requirements and Minimum Design Standards
  - Provisions within Article VII of Chapter 34 for gas well drilling/operations apply
  - Surface equipment setbacks, noise not to exceed 3 dB over ambient noise level at night or 5 dB over ambient during the day, compression facility enclosure, etc.
  - Emission control/vapor recovery, and leak detection equipment required at the facilities



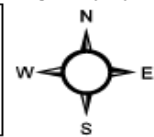
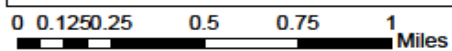


# Compression Facility – Options



Oil and Gas details provided by Environmental Services.  
Map produced by Environmental Services.

- Legend**
- Permitted Pipelines
  - Proposed Pipelines
  - Proposed Compression Facilities
  - Existing Compression Facilities
  - Williams Pad Sites



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## **COMPARISON OF COMPRESSION ALTERNATIVES**

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<b>Comparison Category</b>	<b>Current Pad Site Compression</b>	<b>Proposed Compression Facility</b>
<b>Existing within Town</b>	<b>Currently operating within Town</b>	<b>Currently operating within Town</b>
<b>Regulations and permitting</b>	<b>Permit By Rule-levels of self reporting</b>	<b>Additional levels of review/requirements</b>
<b>Enclosed compression unit</b>	<b>One compression unit per pad site*</b>	<b>Reduced number of compression units</b>
<b>Gas transmission line</b>	<b>Multiple connection points</b>	<b>Potential for fewer connection points</b>
<b>Horsepower of compressors</b>	<b>Maximum per pad site</b>	<b>Potential for a net reduction</b>
<b>Verifying air quality</b>	<b>Multiple air monitoring stations</b>	<b>Fewer air monitoring stations</b>
<b>Aesthetics</b>	<b>Permanent enclosures on each pad site</b>	<b>Multiple enclosures on one pad site</b>
<b>Noise regulations</b>	<b>3dB/night or 5dB/day over ambient</b>	<b>3dB/night or 5dB/day over ambient</b>
<b>Safety features</b>	<b>Non-specific leak detection</b>	<b>Emission controls/leak detection</b>

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**\* Additional compression dependent upon number of wells**

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# Additional Review

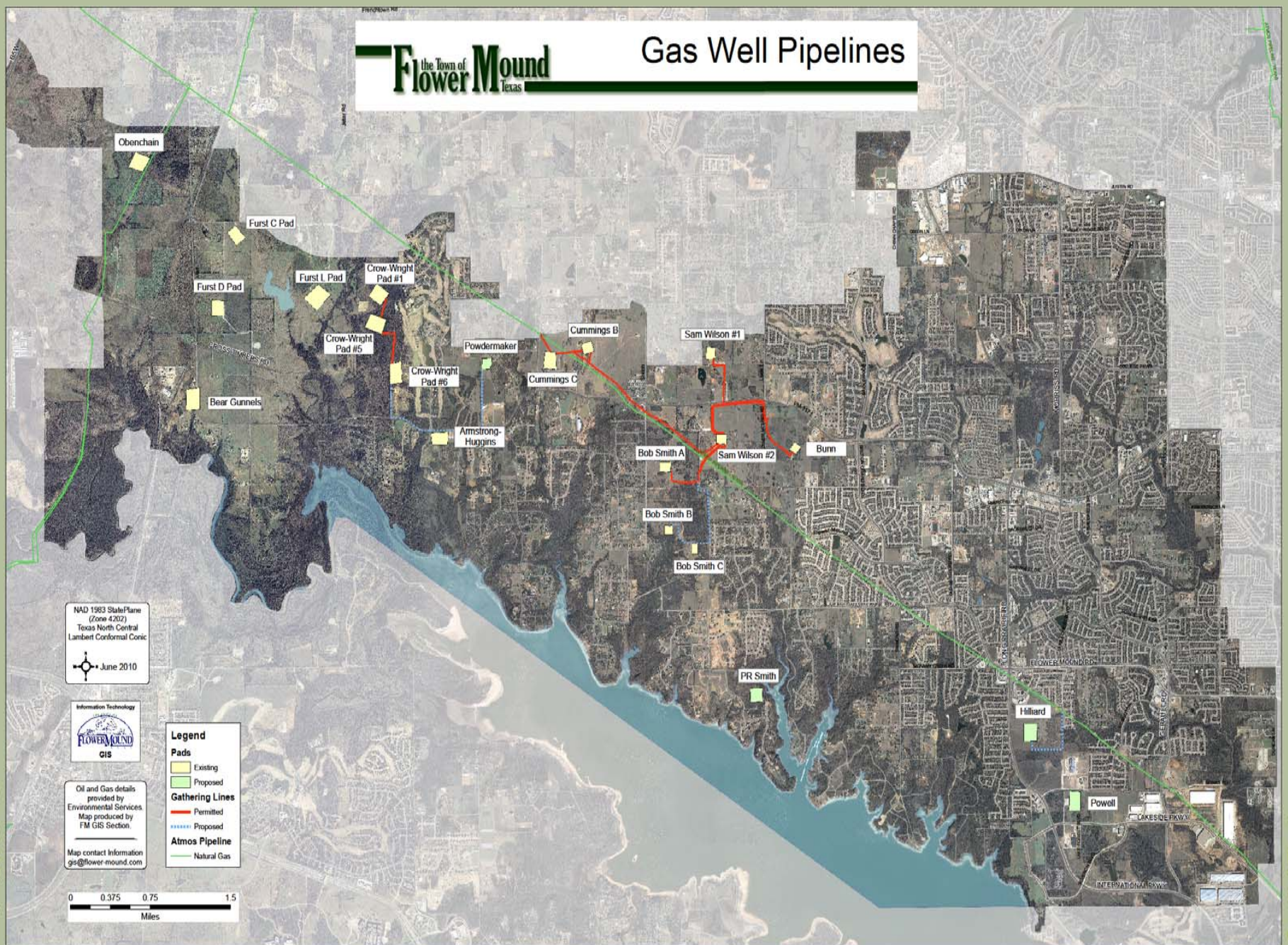
- Continued review of the pipeline regulations and gas well drilling and production regulations will continue through the adopted moratorium processes
- Ambient air monitoring and reporting will continue; reviewing options to evaluate the potential impacts associated with gas drilling/production operations

# Settlement Agreement

- No construction by Williams of a centralized produced water storage facility in the Town, now or in the future
- Williams will not install or lay any gas pipelines that originate east of the Bunn pad site and that connect to the Sam Wilson tract compressor station
- Compressors at the Sam Wilson tract are subject to far greater governmental regulation than on-site compressors, and no more compressors may be placed at that site
- All compressor structures at the Sam Wilson tract shall have gas and flame detection equipment (not currently required in existing pipeline ordinance)
- All compressors at the Sam Wilson tract will have an emergency shut down system (not currently required in existing pipeline ordinance)
- Dehydrators at the Sam Wilson tract will have a BTEX (benzene, toluene, ethyl benzene & xylene) condenser to reduce odors and emissions (not currently required in existing pipeline ordinance)

# Settlement Agreement

- Vapor combustors (an emission control device) at the Sam Wilson tract for all tanks and equipment that may produce or release vapor and/or emissions (not currently required in existing pipeline ordinance)
- Agreement never to install any gas pipeline across Fire Station No. 2
- Agreement never to install any gas pipelines on any Town property
- Limitations on pipelines in Town right-of-way
- Payment of \$125,000 by Williams for emissions control/air quality monitoring
- Payment by Williams of Town's legal fees for *Mockingbird Pipeline* lawsuit (up to \$90,000)
- Payment by Williams of \$100,000 for stoplight at Scenic Road/FM 1171 if warranted during the next four (4) years



NAD 1983 StatePlane  
(Zone 4302)  
Texas North Central  
Lambert Conformal Conic  
June 2010



Oil and Gas details  
provided by  
Environmental Services  
Map produced by  
FM GIS Section.  
Map contact Information  
gis@flower-mound.com

- Legend**
- Existing Pads
  - Proposed Pads
  - Gathering Lines**
  - Permitted
  - Proposed
  - Atmos Pipeline**
  - Natural Gas

