

Mayor and Council Communication

DATE: 05/24/22

M&C FILE NUMBER: M&C 22-0369

LOG NAME: 062040 BUNGE WEST PADSITE SETBACK VARIANCE

SUBJECT

(CD 2) Approve a Variance Request by Totalenergies E & P USA Properties, LLC to Allow Future Development Within the Required 225-Foot Setback and 125-Foot Setback from a Multiple Gas Well Pad Site Permit for the Bunge West Pad Site Located at 800 NE 23rd Street (Continued from a Previous Meeting)

RECOMMENDATION:

It is recommended that the City Council approve revisions to the Totalenergies E&P USA Properties, LLC (TEPP) Bunge West Pad Site located at 800 NE 23rd Street, to allow future development within the required 225-foot setback from a multiple gas well pad site permit or the required 125-foot setback from a multiple gas well pad site permit.

DISCUSSION:

Totalenergies E & P USA Properties, LLC (TEPP) is the owner and operator of a multiple gas well pad site known as the Bunge West Pad Site located at 800 NE 23rd Street. The City of Fort Worth issued a multiple gas well permit to TEPP's predecessor for the Bunge West Pad Site, consisting of approximately 2.006 acres of land. Issuance of the multiple gas well permit allows future wells to be drilled within the Bunge West Pad Site within 600 feet of Protected Uses without obtaining waivers. In the absence of a multiple gas well permit, future wells would be required to be 600 feet from Protected Uses. Fort Worth Heritage Development, LLC (FWHD) owns land across the street from the Bunge West Pad Site on NE 23rd Street. The Bunge West Pad Site impacts development of FWHD's property because of required setbacks from the boundary of the multiple gas well pad site contained in the City's Fire Code.

Section 5706.3.1.3.3 of the City Code provides that a Protected Use or Public Building shall not be constructed within 300 feet of the center of a gas well, at the surface of the ground, or within 225 feet of a well pad site having a Multiple Gas Well Pad Site Permit. "Protected Use" consists of a residence, religious institution, hospital building, school or public park, as further defined in Section 5706.3.1.3.1 of the City Code. "Public Building" consists of buildings with occupancies of 50 or more persons and more than 750 square feet in area that are used for certain purposes specified in Section 5706.3.1.3.1 of the City Code.

Section 5706.3.1.3.3 of the City Code further provides that a Habitable Structure shall not be constructed within 200 feet of the center of a gas well, at the surface of the ground, or within 125 feet of a gas well pad site having a Multiple Gas Well Pad Site Permit. A "Habitable Structure" is any structure for which a certificate of occupancy is required, but does not include detached accessory buildings, garages and sheds.

Section 5706.3.1.3.4.2 of the City Code provides that a Protected Use, Public Building, or Habitable Structure shall not be constructed within 200 feet of a lift compressor.

FWHD plans to construct a multifamily project, which is considered a Protected Use, 166 feet from the boundary of the Bunge West Pad Site. Without the approval of this variance, construction of FWHD's multifamily project would not be allowed because it is within 225 feet of the boundary of the Bunge West Pad Site. In addition, FWHD intends to develop its land located east of the multifamily site, which is likely to be impacted by the required setbacks from the boundary of the Bunge West Pad Site. Such property is shown on Exhibit A as "FWHD Property".

In order to facilitate FWHD's development of the FWHD Property, TEPP has voluntarily agreed to restrict future wells within the Bunge West Pad Site to the area depicted on Exhibit A as the "Modified Drill Zone". Restricting wells to the Modified Drill Zone will provide a 300-foot setback from FWHD's proposed multifamily project to current and future wells. TEPP has also agreed to restrict current and future lift compressor, production tanks and equipment to the area depicted on Exhibit A as the "Production Equipment Site". No line compressors are located, or will be located, within the Bunge West Pad Site.

Upon approval of this variance, construction on the FWHD Property of Protected Uses, including FWHD's proposed multifamily project, and Public Buildings is permitted less than 225 feet from the boundary of the Bunge West Pad Site, provided such construction is at least 300 feet from the Modified Drill Zone. Construction on the FWHD Property of Habitable Structures is permitted less than 125 feet from the boundary of the Bunge West Pad Site, provided such construction is at least 200 feet from the Modified Drill Zone. Public Buildings, Protected Uses and Habitable Structures constructed on the FWHD Property must be at least 200 feet from the Production Equipment Site. The City of Fort Worth will not issue building permits for structures on the FWHD Property unless they comply with these setbacks from the Modified Drill Zone and the Production Equipment Site.

TEPP has the right to drill and operate wells within the Modified Drill Zone and to maintain production equipment within the Production Equipment Site, and no action on the FWHD Property will affect such rights. Construction on the FWHD Property of a Protected Use, a Public Building, or a Habitable Structure, as defined in the City's gas drilling ordinance or other City ordinance, as currently in effect or amended hereafter, will not result in shrinking, restricting or interfering with TEPP's operations within the Modified Drill Zone or the Production Equipment Site. Nor will such construction render any portion of the Modified Drill Zone or the Production Equipment Site unusable for TEPP's operations, or interfere with

continued operation of existing wells or drilling of new wells within the Modified Drill Zone.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: City of Fort Worth

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

Submitted for City Manager's Office by: Dana Burghdoff 8018

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Additional Information Contact: 0