

June 30th, 2022 Gas Drilling Review Committee Meeting Notes



GAS DRILLING REVIEW COMMITTEE MEETING June 30, 2022 3:00 p.m.

1. Introduction to City Staff

Allison Gray, Development Services, Chair	Absent
(Cecilia Leyba/Brendan Skaggs – Gas Wells)	Present
Richard McCracken, Legal	Present
Tom Simerly, TPW	Present
Eric Fladager, Planning	Absent
Esteban Perez, Water	Present
David Jodray, PACS	Present
Amethyst Sloane, Community Engagement	Absent

2. Operator(s) present

Robert (Bob) Manthei – XTO Energy
Shawna Scrimshire – XTO Energy
Chance Wilson – BKV Barnett, LLC
Jackie Montgomery – BKV Barnett, LLC

3. Developers present

Kevin Carlson – Huitt-Zollers, Inc.
Geoff Meyer – DHL

4. No Citizens Present

5. Overview of GDRC Agenda was presented by Cecilia Leyba with the City of Fort Worth Gas Well Division.

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XTO Energy – Meacham A & B Pad Sites

Robert Manthei with XTO Energy presented the revised transportation route to the Meacham A & B gas well sites which utilize the same access point off a City of Fort Worth street. On March 21, 2013, GDRC approved a revised transportation route exiting Long Avenue north onto Pearl Avenue turning left on NW 35th Street, right onto Chestnut Avenue, crossing NW 36th Street to enter lease road. At some point the City fenced off the area and XTO could no longer use their approved route off of Pearl Avenue. The route they have been using since 2018 is exiting Long Avenue north onto Chestnut Avenue, crossing NW 36th Street to enter the lease road. There is a toggle off of Chestnut Avenue XTO is using as the left turn off Chestnut Avenue onto 35th Street would be too sharp for the water trucks or larger vehicles. Back 2013 TPW stated there were platted lots where the toggle cuts across the corner of Chestnut Avenue and 35th Street and were owned by Meacham Airport. To avoid the corner, the route was moved over to Pearl Avenue. The area which once was platted lots was not developed and XTO has been using the toggle corner which is better for the trucks to maneuver. Tom Simerly with TPW stated that the condition of the asphalt on that corner area must not be in very good condition and won't get better as XTO has been using it for at least three years. Tom Simerly stated he doesn't feel there is a better way for XTO to get to the lease road. Bob mentioned they originally came off of Lincoln Avenue, but that access was cut off and now this is the third transportation route. Bob Manthei stated the existing roads in the gated area are from an abandoned neighborhood association.

No other concerns or comments.

Transportation route approved.

XTO Energy – Walsh Ranch C & D Pad Sites

Robert Manthei with XTO Energy presented the proposed transportation route to the annexed Walsh Ranch C & D gas well sites per the agreement between the Walsh family and City of Fort Worth on June 5th, 2018 and March 29th, 2022. Now that the gas well sites are annexed into the City, a designated transportation route is needed. Our ingress comes off of I-20 north onto Walsh Ranch Parkway, turning west onto Walsh Avenue, travel 6 miles turning south on Grey Bark to the lease road for the Walsh Ranch D pad or travel 1.1 miles to Prairie Holly Lane turning south to the lease road for the Walsh Ranch C pad. The lease is a centralized lease which is one of very few in the Barnett Shale that utilizes a central facility. All our water, gas, and injection gas goes down to our central facility that is down in the southwest corner of Walsh Ranch off of Aledo Iona Road. There are no water tanks on either of the sites so there is no water hauling. Injection gas is supplied back from our compressor station down at the central facility so there is no need for onsite lift compressors unless there is a special situation where we need extra lift to kick a well off. Injection lines are to each of the well pads so the water is separated on the pad sites and shipped to our central facility. The main traffic that we have going in and out of our sites are our pumpers or one time service truck maybe for water line or gas lift operations. The only heavy traffic we will have will be in the event we would workover the wells. That would typically consist of what we call a workover unit which has a wheel base similar to a city bus as the turning radius is similar to a city bus and some auxiliary equipment which would accompany it would be on a regular 18-wheeler similar to the rigs you would bring in for the development. One thing we do have is an Aledo ISD elementary school that was built close to our D pad. There would be traffic that would go by that elementary school in the event of a workover. Workovers are not real prevalent as we don't do them a whole lot, but we do have them from time to time. I believe there might be some work schedule here in the near future, so we work around school times if needed. School is out right now so there would be no impact to the school, just the neighbors. The main problem we have with the inter streets within the subdivision is that they are

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so narrow that if two cars are parked on each side, then it makes it pretty difficult for some of the traffic to get through especially if it's a workover unit. So what that results in is we can't get to the well site and then we have to call either the gas well department or the police department to have the residents move their cars because being our only transportation route, it's our only way in and out. By utilizing Walsh Ranch Ave, it's built to a wider standard since it's one of the main roads and we would not have the car problem with this road. I believe we have one of the developers here that can verify this if needed.

Tom Simerly, TPW, stated that would have been one of his questions as to how many trucks a day would be coming in and out of there, but Bob already answered that question. Bob stated that they have no water trucks and the only time would be larger vehicles coming in and out in the event of a workover which just depends on the condition of the well. The wells have been maintained fairly well, so we haven't had a lot of trouble in this area, therefore I don't suspect it would be real frequent.

Richard McCracken, Legal, asked if this was the same route used before the area was annexed into the City. Bob stated it was the same route they were using until it was annexed and their lease roads were removed. Once the development started, our lease roads came in from the north and came across several other pads which we have a total of 26 pad sites in this development. There is a concept plan filed with the City which identifies all the pad sites and what type of zoning development it would be. As the development gets built up, they take out our access, but give us a new access and this is the new access that was provided.

Tom Simerly, TPW, stated he felt they should be kind to XTO since all the sites in the area created the bank to fund Walsh Ranch to be what it is. He stated XTO and Walsh family must have a very tight relationship, which Bob agreed. Bob stated that one of the provisions they actually did that was put into the limited annexation was until the pad sites were fully annexed into the City, that XTO operated under the Railroad Commission Rules and the City Gas Well Ordinance would not apply to those pad sites until annexation. As development grows, they will be annexed in. There is development occurring south where there is one pad site which may be impacted in the future.

Tom Simerly, TPW, asked if the City regulation for the distance from the compressor to the school site or any residential areas was met even though it wasn't in the city at the time which Bob stated it was met. Bob stated the central facility is located next to the railroad off of Aledo Iona Road. The development spans out several years, actually south of I-20. The future concept plan does have provisions on it for an outer loop within the city of Fort Worth. The only setbacks buffers on the two gas well sites would be from the well bores only. There are no tanks so there is no setback to tanks. If a compressor was needed, it would be a temporary trailer mounted unit or skid unit that is used as extra pressure to kick off the well then it's removed. The only pad site we have that has a tank is one to the south which transfers to the central facility. All the other pad sites are line transferred to the central facility.

No other concerns or comments.

Transportation route approved.

BKV Barnett, LLC – Mitchell S Pad Site

Chance Wilson with BKV Barnett presented the revised transportation route. The pad site is adjacent to Motor Speed Way to the west. We come off 156 onto Petty Place then onto Three Wide Drive. The access has been altered a little bit from what it was originally because of the industrial development and warehouses being built in the area. Completely industrial with very wide streets so I don't have any concerns, it's more of getting an approval from the City for the route. We have been using the same route since the building to the north was constructed.

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Tom Simerly, TPW, asked if on Private Drive, BKV has an agreement to use the private road. Chance advised that per the oil and gas agreement, they have the right to use the private road. The previous route came from the north off of Petty Place onto Private Drive. Revised route is now coming off Petty Place onto Three Wide Drive then onto Private Drive.

No other concerns or comments.

Transportation route approved.

BKV Barnett, LLC – Mitchell N Pad Site

Chance Wilson with BKV Barnett presented the revised transportation route. This next pad is close to the previous one, but instead of turning onto Three Wide Drive, we continue on Petty Place and through the agreement with the developer of the warehouse, we share the warehouse drive on the east side of the building going south onto our pad site.

Tom Simerly, TPW, stated that being an industrial area, it must not be uncommon to see large water trucks in the area. Chance stated that in the last six months, they have done some significant work on the pad and have had no issues with the development. Their neighbors in the area are all industrial warehouses, we partner with them very well.

No other concerns/comments.

Transportation route approved.

BKV Barnett, LLC – McKelvey Pad 1

Chance Wilson with BKV Barnett presented the revised transportation route. This one is the most convoluted of the access routes we are going to show today. Off of 156 south off of 114, this new development in what we call the LAU, this is the new Ariat industrial complex. We turn off onto Bold Ruler Road which is not fully completed, we go down about ¼ of a mile and then jump off of Bold Ruler Road onto what is left of our lease road which had been there for decades. We continue around the pasture and then at this point we come onto the city street in the middle of the subdivision for about 250' down where we then turn onto our pad site from the west side.

Tom Simerly, TPW, asked if they have a low water crossing at the creek along their lease road which Chance confirmed that there is a low water crossing along their lease road. There are sections of the route which have not been annexed into the City yet. Owner and developer will be annexing as they develop the area. As more development occurs, our route will change once again at some point, but this is our current route that we see we will use in the future. We are dealing with the residential developer on the north side of the creek and the commercial developer on the south end of the creek. Tom Simerly asked if they get on residential streets for a short period of time and Chance confirmed the location onto which they come out of the pasture behind wood gates which they keep closed and locked until they need to access the residential subdivision to access the gas pad. We maintain the private gravel lease road.

David Jodray, PACS, asked whether there was a pad site across the railroad tracks. Chance stated he was not sure what it was as it does not belong to BKV. Chance stated there is a compressor station off of 114 in the area belonging to Crestwood. Chance is not sure if the area is a pad site or a value station. All the sites along the lease road are BKV gas wells which were recently annexed into the City.

Esteban Perez, Water, stated that there is an Intermodal Logistics Development that is occurring and he was not sure if BKV has been in discussion with them. Esteban confirmed that it's the Intermodal Logistics Center that is under IPRC20-0152 and Debbie Willhelm is the project manager. Esteban stated that he couldn't tell if the alignment where it crosses onto the three consecutive wells sites in

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the area as there is a water alignment somewhere in the location going west. Esteban was going to email Chance some exhibits for his review as it might impact BKV's lease road route. Esteban doesn't know if it's all dirt road or part of Bold Ruler Road. Chance stated they stay on Bold Ruler Road until they get to the first development road to the right, then get off Bold Ruler Road and continue on the remaining of their lease road. Tom Simerly, TPW, stated that he thinks where Bold Ruler Road currently ends, will be extended further west into an industrial cul-de-sac. Chance stated that they will continue using their existing lease road as there will be no development along the creek, which is his understanding from the developer.

Richard McCracken, Legal, asked if the gas well site is in the middle of the residential development, which Chance confirmed it is. Chance stated that their lease road goes behind the houses by the railroad track by design of the developer. Chance also mentioned conversation with Four Star Developer about possibly doing development in the northern corner by the railroad tracks which could possibly happen in the future at which point their access road will change again.

Tom Simerly, TPW, asked how many trucks per day make the route. Chance stated approximately 1 to 2 water trucks per week instead of per day. Lease operators with a regular truck probably 4-5 times per week.

Esteban Perez, Water, asked if the lease road was a concrete or dirt road. Chance stated that once they leave Bold Ruler Road onto their lease road, it is all gravel road. Esteban is still concerned that the water alignment is following their lease road at some point. Esteban also mentioned the sewer line and wants to make sure that no pavement or driving over the water/sewer lines will occur as development in the area continues with the Intermodal Logistics Development. Chance stated that City contractors are pretty good about letting the gas well operator know if they will need to reroute any gas well traffic while installing any water/sewer lines. Esteban is going to send an email to the Project Manager to ensure the water/sewer lines are protected from any traffic on the lease roads.

Committee agreed to table this route until July 28th GDRC to ensure there will be no conflict with the installation of the water/sewer lines and the transportation route.

BKV Barnett, LLC – McKelvey Pad 2

Chance Wilson with BKV Barnett presented the revised transportation route due to commercial development. The access road came off of Hwy 114 along the boundary of Northwest High School or Northwest ISD property boundary. The developer asked BKV to vacate the access road and work with them to allow them to more fully develop the property. Now the access is off of Hwy 114 onto Wolff Crossing where there is a new entrance to the pad site which is gravel once off of Wolff Crossing.

No other comments/concerns.

Transportation Route approved.

Meeting Adjourned.