



CITY OF GRAND PRAIRIE ORDINANCE

MEETING DATE: 03/18/2025

PRESENTER: Cindy Mendez, Public Health and Environmental Quality Director

TITLE: Ordinance Amending Sections 13-501, 13-507, 13-509, and 13-510 of Chapter 13, Article XIX "Gas Drilling and Production" of the Grand Prairie Code of Ordinances to Modify Regulations for Data Campuses; Providing a Savings Clause and a Severability Clause; Providing an Effective Date

REVIEWING COMMITTEE: (Reviewed by the Public Safety, Health, and Environment Committee on 03/17/2025)

PURPOSE OF REQUEST:

State law restricts a City from regulating gas drilling operations except for certain above ground activity which includes establishing reasonable setback requirements. The City has established gas well setbacks for public parks, residences, nursing homes, hospitals, and religious institutions. Last year the City annexed land which includes plans for a Data Campus. The Data Campus is expected to house several data centers. Data Centers are a new use in the City of Grand Prairie which did not exist at the time the gas well setback restrictions were adopted. This ordinance amendment will create a 1,500 foot gas drilling setback for data campuses. The proposed restrictions will not effectively prohibit gas drilling as horizontal drilling techniques are capable of drilling more than 1,500 feet.

ATTACHMENTS / SUPPORTING DOCUMENTS:

- 1- Tracked Changes of Proposed Ordinance Revision

BODY

AN ORDINANCE AMENDING CHAPTER 13, ARTICLE XIX. "GAS DRILLING AND PRODUCTION" SECTIONS 13-501 "DEFINITIONS", 13-507 "CLASS 1 GAS WELL PERMIT", 13-509 "CLASS 2 GAS WELL PERMIT", 13-510 "ISSUANCE OF GAS WELL PERMITS", 13-515 "TECHNICAL REGULATIONS" OF THE CODE OF ORDINANCES OF THE CITY OF GRAND PRAIRIE, TEXAS TO MODIFY REGULATIONS FOR DATA CAMPUSES; PROVIDING A SAVINGS CLAUSE AND A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE UPON PASSAGE AND PUBLICATION

WHEREAS, a Data Campus is a significant investment in the community and contains a significant amount of personal property which would negatively impact the community if damaged or destroyed; and

WHEREAS, continuous operation of Data Centers is critical to the continuity of operations for numerous governmental and private entities; and

WHEREAS, a there is a need for enhanced security at a Data Campus, including restricted access within a certain distance of the Data Campus; and

WHEREAS, increased dust poses a risk to and reduces the lifespan of equipment contained in data centers; and

WHEREAS, current horizontal drilling capabilities exceed the proposed set back distance; and

WHEREAS, the City Council finds the requirements of this ordinance are commercially reasonable and do not effectively prohibit an oil and gas operation conducted by a reasonably prudent operator.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS:

SECTION 1. That Section 13-501 of Chapter 13, Article XIX “Gas Drilling and Protection”, of the Code of Ordinances of the City of Grand Prairie, Texas, is hereby amended by adding, in alphabetical order within the existing definitions, the following definitions:

“*Data Campus* means a contiguous area consisting of fifty (50) or more acres which contains or has an approved and unexpired site plan for two or more data centers that share common amenities.

Data Center means a centralized physical facility where computing and networking equipment is used to collect, process, and store data.”

SECTION 2. That Section 13-507(c)(1) of Chapter 13, Article XIX “Gas Drilling and Protection”, of the Code of Ordinances of the City of Grand Prairie, Texas, is hereby amended to read as follows:

“(1) *Nonpark protected uses*. It shall be unlawful to drill any well, the proposed pad site boundary line of which is located within seven hundred (700) feet from any existing protected use or where a building permit for a protected use has been issued prior to the drilling permit application filing date. It shall be unlawful to drill any well, the proposed pad site boundary line of which is located within one thousand five hundred (1,500) feet from any existing Data Campus or where a grading or building permit for a Data Campus has been issued prior to the drilling permit application filing date. The distance shall be calculated from the proposed pad site boundary line, in a straight line, without regard to intervening structures or objects, to the closest exterior point of the building. For the purposes of calculating distance for a Data Campus, the closest building shall include an electric substation and data center buildings contained on an approved site plan in addition to data center buildings for which a permit has been issued. This setback may be reduced to no less than five hundred (500) feet, or in the instance of a Data Campus no less than one thousand (1,000) feet, if seventy (70) per cent of the affected owners of protected uses within the setback area (seven hundred (700) feet or one thousand five hundred (1,500) feet, as applicable, of the proposed pad site boundary line) sign an approved waiver and with approval of the environmental services director. Alternatively, a variance may be obtained from the city council in accordance with subsection 13-510(f).”

SECTION 3. That Section 13-509 of Chapter 13, Article XIX “Gas Drilling and Protection”, of the Code of Ordinances of the City of Grand Prairie, Texas, is hereby amended to read as follows:

“(a) A class 2 gas well permit shall be required if the boundary line of the pad site for the proposed well is located greater than seven hundred (700) feet of a protected use.

(b) *Well setbacks for class 2 gas well permit.*

- (1) *Nonpark protected uses.* It shall be unlawful to drill any well, the proposed pad site boundary line of which is located within one thousand five hundred (1,500) feet from any existing Data Campus or where a grading or building permit for a Data Campus has been issued prior to the drilling permit application filing date. The distance shall be calculated from the proposed pad site boundary line, in a straight line, without regard to intervening structures or objects, to the closest exterior point of the building. For the purposes of calculating distance, the closest building shall include an electric substation and data center buildings contained on an approved site plan in addition to data center buildings for which a permit has been issued. This setback may be reduced to no less than one thousand (1,000) feet, if seventy (70) per cent of the affected owners of protected uses within one thousand five hundred (1,500) feet of the proposed pad site boundary line sign an approved waiver and with approval of the environmental services director. Alternatively, a variance may be obtained from the city council in accordance with subsection 13-510(f).
- (2) *Public parks.* It shall be unlawful to drill any well, the proposed pad site boundary line of which is located within one thousand (1,000) feet from any public park unless prior consent is obtained from the parks and recreation director or the city council in accordance with the following procedures:
 - a. The parks and recreation director or his designee shall review any applications for pad sites of wells that are proposed to be within one thousand (1,000) feet from any public park. The parks and recreation director or his designee may approve the location of pad sites of wells closer than one thousand (1,000) feet from any public park. This setback may be reduced to no less than three hundred (300) feet. If the parks and recreation director or his designee disapproves an application reviewed under this section, then the application shall be processed for city council review in accordance with subsection 13-510(f).
 - b. The parks and recreation director may stipulate conditions and mitigation measures that must be met by the operator. These conditions shall be designed to limit the impact of well development and operations upon park operations and/or compensate the city for any negative financial impacts. The conditions may include, but are not limited to, limits on the timing of drilling/fracturing operations and additional requirements to limit the impact of noise, dust or other environmental factors. These conditions and mitigation measures shall become permit conditions and are enforceable under this article. The failure of the operator to comply with these permit requirements is subject to criminal prosecution, civil action and/or permit revocation.

(c) *Notice for class 2 gas well permit.*

- (1) At least ten (10) days prior to the date of filing of an application for a class 2 gas well permit, the operator shall publish a copy of the notice as outlined below, at the expense of the operator, in one (1) issue of a daily newspaper approved by the environmental services director for ten (10) consecutive days. An affidavit by the printer or publisher of the newspaper indicating

publication of the notice shall be filed with the application and will be prima facie evidence of such publication. The notice shall read as follows:

"Notice is hereby given that, acting under and pursuant to the Ordinances of the City of Grand Prairie, Texas, on the _____ day of _____, 20_____, _____ will file with the City of grand Prairie, an application to drill, complete and operate a well for gas upon property located at _____, _____ County, Grand Prairie, Texas, Lot No. _____, Block No. _____, City of Grand Prairie, Texas, more particularly shown on the map of record in Volume _____, Page _____, Plat records of _____ County, Texas or per Tax Tract Number _____, _____ County, Texas."

- (2) At least ten (10) days prior to the date of filing an application for a class 2 gas well permit, the operator shall erect at least one (1) sign, no less than three (3) feet by three (3) feet, upon the premises upon which a class 2 gas well permit has been requested. Where possible, the sign or signs shall be located in a conspicuous place or places upon the property at a point or points nearest any right-of-way, street, roadway or public thoroughfare adjacent to such property.
 - a. The sign(s) shall substantially indicate that a class 2 gas well permit to drill for gas has been requested and shall further set forth that additional information can be acquired by telephoning the operator at the number indicated on the sign.
 - b. The continued maintenance of any such sign(s) shall not be deemed a condition precedent to the holding of any public hearing or to any other official action concerning this article.
 - c. Any sign(s) shall be removed subsequent to final action by the inspector or the city council.
- (3) All notice provisions contained herein shall be deemed sufficient upon substantial compliance with this section.
- (d) Enclosure requirements for class 2 gas well permit shall be required in accordance with section 13-516 of this article.
- (e) *Tank specifications for class 2 gas well permit.* All tanks and permanent structures shall conform to the American Petroleum Institute (A.P.I.) specifications unless other specifications are approved by the fire chief. The top of the tanks shall be no higher than fifteen (15) feet above the terrain surrounding the tanks. All tanks shall be set back pursuant to the standards of the commission and the National Fire Protection Association, but in all cases, shall be at least twenty-five (25) feet from any public right-of-way or property line.
- (f) All other provisions outlined in this article shall be required."

SECTION 4. That Section 13-510(f)(10) of Chapter 13, Article XIX "Gas Drilling and Protection", of the Code of Ordinances of the City of Grand Prairie, Texas, is hereby amended to read as follows:

- "(10) The setback distance may be varied by the city council after a public hearing. A reduction of the setback distance to less than seven hundred (700) feet, but to no less than five hundred (500) feet from a protected use may only be approved by the affirmative vote of not less than two-thirds of all the members of the city council. A reduction of the setback distances to less than one thousand five hundred (1,500) feet, but no less than one thousand (1,000) feet from a Data Campus may only be approved by an affirmative vote of not less than two-thirds of all the members of the city council. If the only protected use within one thousand (1,000) feet of the pad site boundary is a city park, and no Data Campus is within such distance, the city council may approve a reduction of the setback distance to no less than three hundred (300) feet with an affirmative vote two-thirds of all the members of the council. Other setback requirements contained in section 13-515 shall be enforced unless

altered by the city council. For protection of the public health, safety and welfare, the city council may impose additional requirements for a reduction of such distance.”

SECTION 5. That Section 13-515(a)(11) of Chapter 13, Article XIX “Gas Drilling and Protection”, of the Code of Ordinances of the City of Grand Prairie, Texas, is hereby amended to read as follows:

“(11) *Dust, vibration, odors.* All drilling and production operations, and vehicular traffic related thereto, shall be conducted in such a manner as to minimize, so far as practicable, dust, vibration, or noxious/nuisance odors, and shall be in accordance with the best accepted practices incident to drilling for the production of gas and other hydrocarbon substances in urban areas, as well as all pertinent codes and ordinances of the City of Grand Prairie regulating dust, vibration and odors. All equipment used shall be so constructed and operated so that, vibrations, dust, odor or other harmful or annoying substances or effect will be minimized by the operations carried on at any drilling or production site or from anything incident thereto, to the injury or annoyance of persons living or working in the vicinity; nor shall the site or structures thereon be permitted to become dilapidated, unsightly or unsafe. Proven technological improvements in industry standards of drilling and production in this area shall be adopted as they become available if capable of reducing factors of dust, vibration and odor. A written dust abatement plan shall be submitted with the drilling application. This plan shall detail the best management practices the operator will utilize to prevent the creation of any dust nuisances, including the frequency and information on any planned soil amendments. The dust control plan for wells with pad site boundaries less than one thousand (1,000) feet from protected uses or Data Campuses shall contain dust mitigation measures that at a minimum provide for the use of a dust control/soil stabilization agent on all nonpaved surfaces. This agent shall be reapplied according to manufacturer recommendations, but no less frequently than annually. Daily watering or equivalent best management practices approved by the city's environmental services director shall be used as necessary. After review of the plan, the city's environmental services director may mandate additional practices the operator shall take to prevent the creation of any dust nuisances.”

SECTION 6. That Chapter 13, Article XIX “Gas Drilling and Protection” of the Code of Ordinances of the City of Grand Prairie, Texas, as amended, shall be and remain in full force and effect save and except as amended by this Ordinance.

SECTION 7. That the terms and provisions of this Ordinance are severable and are governed by Section 1-4 of the Code of Ordinances of the City of Grand Prairie, Texas.

SECTION 8. All ordinances or parts of ordinances not consistent or conflicting with the provisions of this Ordinance are hereby repealed. Provided that such repeal shall be only to the extent of such inconsistency and in all other respects this Ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered in this Ordinance.

SECTION 9. That this Ordinance shall be and become effective immediately upon and after its passage and publication.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF GRAND PRAIRIE, TEXAS ON THIS THE 18TH DAY OF MARCH 2025.