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**VIA EMAIL**

To Whom It May Concern:

You have requested that I prepare a short letter about natural gas drilling in North Texas and my experience with it. I hope the following is responsive to your request.

During the last 5 or 6 years, I have been intimately involved with two major rewrites of municipal natural gas drilling ordinances, the first in Flower Mound, Texas, and the second in Dallas, Texas. Since I am forwarding this letter to you via email, I have taken the liberty to attach a copy of a chapter that I wrote for a book entitled "*Beyond the Fracking Wars*," published by the American Bar Association.

When gas drilling first began in the Dallas/Fort Worth Metroplex, it generally involved rural areas northwest of Fort Worth. As further geological studies continued, gas drilling "crept" south toward Fort Worth and eventually eastward to Dallas and its western and northern suburbs. As an attorney who has represented local governments my entire career, I initially was somewhat surprised that there was virtually no case law in Texas that addressed the authority of local governments to regulate gas drilling. Consequently, as Town Attorney for the Town of Flower Mound (which is an exclusive suburban community of approximately 65,000 residents situated north of DFW Airport), my firm began extensive research into municipal authority to regulate gas drilling. While we certainly were concerned about uniquely Texas issues, we also were concerned with federal takings jurisprudence and whether municipal regulation could result in an unconstitutional takings claim being filed. In conjunction with our research, in 2010 the Town created an Oil and Gas Advisory Board to consider and recommend various components of a strengthened gas drilling ordinance. Those issues included setbacks from protected uses, noise and light issues, public health and safety matters, emissions and a host of related issues. After more than a year of study and numerous public hearings (which included residents, interested parties, experts and industry representatives), the Town adopted one of the more stringent gas drilling ordinances in the State of Texas. Although there are no reported cases about the Flower Mound gas drilling ordinance, several challenges to it concluded successfully for the Town.

In 2011 I was appointed as a subject matter expert on gas drilling to the City of Dallas Gas Drilling Task Force. The Task Force was requested to review the Dallas gas drilling regulations and to suggest amendments to the ordinance since permits for gas drilling were in the process of being filed in Dallas. We began weekly meetings in the summer of 2011 and concluded in May 2012, with a presentation to the Dallas City Council. At the conclusion of the Task Force presentation, Dallas Mayor Mike Rawlings requested that an industry representative and a neighborhood representative

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make separate presentations to the City Council about the proposed ordinance. I was selected to make the presentation on behalf of neighborhood groups, explaining those portions of the proposed gas drilling ordinance that I believed were adequate (such as 1500 foot drilling setbacks from protected uses) and those provisions which I did not believe were adequate (drilling in public parks and in the floodplain). My presentation to the Dallas City Council occurred in August 2012 and together with the industry representative, we addressed gas drilling issues for more than 3 hours. Thereafter I made several presentations to the Dallas Plan Commission when zoning applications for gas drilling permits were considered.

As outlined in the attachments to the email, there are a series of issues that I believe local governments must consider when undertaking regulation of natural gas drilling. First and foremost are setbacks, particularly in light of new studies about the health impacts of natural gas drilling activities. The other issues are outlined in the book chapter I attached, but include subsequent land development issues, the administrative review processes adopted by local governments to regulate gas drilling, and specific issues, such as drilling in public parks and in the floodplain, as noted above. I also have been honored twice in the last 2 years to make presentations at Yale Law School about our experiences in Texas related to the regulation of natural gas drilling.

I hope the foregoing is responsive and if I may be of any further assistance, please do not hesitate to contact me at the address or telephone number listed on the letterhead page.

Very truly yours,



Terrence S. Welch