

Box 13
Banner, WY 82832

January 10, 2007

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JAN 16 2007

Wyoming Environmental Quality Council
Herschler Building, Room 1714
122 West 25th Street
Cheyenne, WY 82002

Terri A. Lorenzon, Director
Environmental Quality Council

Re: CBM Rulemaking Petition

Dear Council Members,

First, I want to extend a heartfelt thanks to you and your staff for the extensive time you have spent and the effort you have made on behalf of Wyoming's landowners and citizens to understand and deal with the unique issues surrounding the problems and impacts caused by the discharge of Coalbed methane (CBM) water. I applaud the EQC for having the fortitude and vision to continue to work towards solving this ongoing problem.

Second, I want to inform you about the tactics industry used this last week to try and distort the reality of what this proposed rule does and the near bribery used to get "real" people to Cheyenne to testify. I have attached the industry invitation for a steak and wine dinner that was sent to royalty owners this past week. At those dinners industry gave a "the sky is falling" presentation telling folks if this proposed rule passed it would hurt royalty owners and probably cause the industry to shutdown. The industry also stressed how important it was for these people to go to the EQC hearing in Cheyenne and offered to pay anyone's expenses to go to the meeting.

I have worked for the past 15 years with many landowners on ways to minimize and address the various impacts surrounding the CBM development issue. I also want you to know that my family also has a personal stake in this issue. We own some beautiful and productive land on Wildcat "Cat" Creek, an ephemeral drainage in the Prairie Dog creek watershed of the Powder River Basin. Our land along this drainage provides some of the finest habitat for an amazing variety of birds and other critters and also supports our agricultural operations on this ranch. We do not want those uses sacrificed and destroyed for an industry that can and should take care of disposing of their discharge water in way that does not harm and destroy our land, soil, trees, vegetation and the agricultural uses on that land. This is an expense the industry should bear and not push off on the landowner, future generations or taxpayers. While we all recognize the importance of CBM development to our communities and the state we know it can be developed in a manner that is responsible and more sustainable without sacrificing our land.

Initially, when the CBM development was beginning in the early 1990's around Gillette many of landowner's biggest concerns that I worked with had to do with the loss of groundwater due to the withdrawal of the water and with the surface impacts. Initially, in the beginning of the development just around and south of Gillette we discovered the volumes of water were much smaller and the water quality much better and the discharge water was initially more manageable for livestock and beneficial use. However, not too many years later as the development progressed we began to see that there were larger and larger volumes of CBM water and that the CBM water quality when discharged on our clay or alkali soils created a disastrous combination for our soil and vegetation.

The CBM water could not all be beneficially utilized by the landowner where development existed, so the CBM water was permitted to be dumped in drainages that flowed long distances downstream and began causing some serious damages. We saw landowners raise concerns about this water crossing their land and pastures when these ephemeral drainages and lands were flooded with high EC (salinity) and SAR (sodium) CBM discharge water that killed the native vegetation and hundreds of trees and damaged the soil by both pulling salts from the alkali soils and depositing more salts in areas that only saw water maybe once or twice a year. Landowners began to refuse to sign "beneficial use statements" required by DEQ at the time due to downstream liability issues. So the "beneficial use" requirement was changed in the DEQ rules for CBM water and all CBM water discharged is now "assumed" to be beneficial to livestock and wildlife. The changes and damages, as you have seen from the many pictures you have been provided over the months, can be quite profound and permanent.

Over the past several years landowners have tried numerous ways to deal with the problem including going to DEQ, the Wyoming Oil and Gas Commission, the Governor, the State Engineer, the legislature and the courts (when landowners can afford it) in order to get the problem addressed. While there have been some temporary fixes in some of these avenues there has been very little leadership provided to stop the damage caused by CBM discharge water and unfortunately the problem has gotten worse.

There have been some industry leaders who have seen the writing on the wall and taken the initiative to put this water in pipelines, treat it and get it where it can be used and stop the damage. Unfortunately, there are still others in the industry who choose to lower the bar for everyone and are using the cheapest, easiest way to dispose of this water by running it downstream to damage land and vegetation. The state is allowing this to happen at the expense of the landowner. So finally, citizens and landowners have approached you, the Council, to help us craft a rule that would provide some solutions to this problem. As you know, this has been a long, winding and bumpy road.

I believe it is clear that this is problem that can and must be addressed. I also believe, as evidenced by industry's use of more technologies and options that it is economical to do something, that many will do nothing unless they are required by regulation. I think it is also obvious that the Powder River Basin is an important area in our state, not only for the vast mineral wealth it provides the rest of the country but for the rich agricultural production, our history, vibrant culture, beautiful scenery and the vast wildlife that

attracts tourists from of all over the country and world to explore and recreate in the Powder River Basin.

Finally, the bottom line here is why should landowners bear the burden and the expense through the long term damage to our lands of the CBM industry cheaply and easily disposing of their discharge water on our lands? Why should landowners bear these costs when there are options for disposal and requirements in the Clean Water Act that require protection of current and existing uses? We know industry can produce the gas and deal with the CBM discharge water in much more environmentally responsible manner. We also know that not all in industry will to the right think unless they are required to do it by our government.

I urge you to adopt the proposed rule which is specific to addressing the CBM discharge water problems so that we take a step towards protecting a landowner's current and existing uses so that our land, soil, vegetation, trees and agricultural operations will remain viable and healthy. This proposed rule will help implement CBM discharge water quality that does not require that the landowner bear the cost of the CBM produced water but that the industry will bear the cost of ensuring that water does not harm or injure our lands and uses.

Again, I thank you for your diligent, sincere and hard work to find a solution to a problem that so many others have turned a blind eye and deaf ear. I look forward to some resolution to a problem that has gone on for too long and already caused too much damage and expense to landowners.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jill Morrison". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jill Morrison

Main Identity

From: "Jill Morrison" <jillm@powderriverbasin.org>
To: "Kevin Lind" <klind@powderriverbasin.org>; "Johnv" <johnv@powderriverbasin.org>
Sent: Friday, January 05, 2007 9:25 AM
Subject: landowners meetings/dinners

fyi - maybe we should stop by Colonel Bozeman's tonight and see what is up.
jill

> The landowner dinners are scheduled to be held in Sheridan, Wednesday
> Jan 3, 2007 , Holiday Inn beginning with cocktails at 5:30 p.m.dinner at
> 6:00 to 6:30 p.m.

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> The dinner in Buffalo will be held on Jan 4, 2007 at Colonel Bozeman's
> beginning with cocktails 5:30 and dinner at 6:00 to 6:30 p.m.

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> The dinner in Gillette will be held on January 8 at the Prime Rib
> Restaurant located on Douglas Highway beginning with cocktails at 5:30
> p.m. with dinner at 6:00 to 6:30 p.m.

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> Each dinner will be either a steak or prime rib and wine included.

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> Joseph C. Icenogle

>
> Regulatory/Public Affairs Manager

>
> Fidelity Exploration & Production Company

>
> (307) 672 - 7111, ext. 205 (office)

>
> (307) 752 - 0672 (cell)

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