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March 2, 2006

Terri Lorenzon, Director
Environmental Quality Council
Herschler Building, Room 1714
Cheyenne, WY 82002

RE: Petition to Amend Water Quality Rule, Chapter 2, Appendix H

Dear Terri:

It became apparent after the February 16, 2006 hearing that there is a sound basis for distinguishing in the rules between water discharged from traditional oil and gas operations and water discharged in CBM production. Many DEQ regulations make this sort of distinction (i.e Land Quality Rules for coal and non-coal).

As you know, my clients feel strongly that people who wish to make use of produced water are entitled to do so. We have therefore followed up on the suggestion made by Councilman Moore, and drafted a new Appendix I which is specific to CBM. The old Appendix H would apply only to traditional oil and gas operations, and would be unchanged except for the deletion of subparagraph (d), which is specific to CBM. Drafts are enclosed.

I do not believe this requires a Petition amendment, but I wanted to put this before the Council and the DEQ prior to public notice of the hearing on the rule. Please contact me if you have any questions.

Sincerely,
Davis & Cannon

Kate M. Fox

Kate M. Fox

Lorenzon
Jan. 5, 2006
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Enc

Cc: Brad Basse, Chairman of the Hot Springs County Commissioners (w/enc)
John Wagner (w/enc)
Jill Morrison (w/enc)
Keith Burron (w/enc)
Jack Palma (w/enc)
John Sundahl (w/enc)