

NORTHLAND POWER SERVICE LLC

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January 25, 2007

Mr. Mark Gordon
Chairman
Wyoming Environmental Quality Council
122 W. 25th St.
Herschler Bldg., Rm 1714
Cheyenne, WY 82002
Fax: 307.777.5973

FILED

JAN 26 2007

Terri A. Lorenzon, Director
Environmental Quality Council

RE: Citizen Petition for Rulemaking – Powder River Basin Resource Council et al

Dear Mr. Gordon,

I have only recently learned of the "Petition to Amend Wyoming Water Quality Rule, Chapter 2, Appendix H" before the Environmental Quality Council. I was shocked on many regards. I know that you have a very difficult job of balancing the interests of the resource producers and the need to protect the environment. Since getting into the oil and gas industry in 2001, I have been frequently impressed by the environmental care shown by the oil and gas community. They are often the last persons who would want for the environment to be harmed.

My concerns with the petition include:

- 1) As far as I know, "Beneficial Use" permits are not easily obtained and are not provided without thorough consideration
- 2) I can remember back to dry years such as 2001, when "Beneficial Use" water saved many crops in the area.
- 3) I believe far more ranchers are purposefully not on the petition than those that are.
- 4) I can't believe that such a small number of people can get such a detrimental petition into the regulatory system.
- 5) Coal bed methane water quality standards are already more strict than drinking water standards (certainly in the case of barium). Hardly a cause in strong need of further restrictions.
- 6) This new proposed rule would significantly negatively affect the economics of the coal-bed methane production in the Powder River Basin. The economics of this area are already marginal compared to other production areas in N. America due to the high gas sales price differential for N.E. WY. This could easily cause operators to reallocate their resources to other areas of our country or continent.
- 7) The economic shock to the state of WY would be needless and tremendous!
- 8) I believe that this is precisely the goal of many of the environmental activist groups. Their 'concern' for the water quality is only a front for their goal of limiting natural resource development wherever and whenever they can and to weaken the US as a country. To that end, amending the rule to conform to their request would only embolden them to use this tactic repeatedly throughout the US!

Specifically, I run a small oil and gas services business based in Gillette which my group purchased in 2/06. When we purchased the business, over \$9M was provided to the local economy. 95% of our business is generated from the coal bed methane operators. We employed 8 persons one year ago and now employ 16. We pride ourselves in being a great employer and provide a full range of employee benefits such as 80% of the employees' health insurance premiums (including family). In addition, to the money provided to the local

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community and the benefit of providing high quality jobs, we invested an additional \$4M in additional equipment purchases and paid an additional \$1.5M in service costs in 2006.

All of these benefits to the local and state economy would go to zero without the economic viability of the coal bed methane production.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Baltzer", with a long horizontal line extending to the right.

Doug Baltzer
Northland Power Services
Gillette, WY