

VIA FACSIMILE

January 26, 2007

Mr. Mark Gordon, Chairman
Wyoming Environmental Quality Council
122 W. 25th St.
Herschler Bldg., Room 1714
Cheyenne, WY 82002
Fax - 307-777-6134

FILED

JAN 29 2007

Terri A. Lorenzon, Director
Environmental Quality Council

RE: Citizen Petition for Rulemaking-Powder River Basin Resource Council et al-
Revised Version-WQD Chapter 2

Dear Mr. Gordon,

I am a operator for Marathon Oil Corporation . I have been in Gillette for 38 years in oil and gas operations.

I oppose the Citizen Petition for Rulemaking – Powder River Basin Resource Council et al – WQD chapter 2.

- I oppose any rulemaking that reduces or eliminates the ability for coalbed produced water to be discharged and thus beneficially used.
- Water has to be in the stream and constantly available to ranchers, livestock and wildlife if it is to be beneficially re-used.

I would also like to make the following points about this rule:

- If this rule is passed, in any form, the financial ramifications to me, my family, my fellow employees and my company will be devastating. In addition, the loss of tax revenue to the county and state from the tremendous reduction in Coal Bed Natural Gas production will change Wyoming's revenue picture from having a surplus to a deficit.
- John Wagner, Administrator of the DEQ's Water Quality Division, has written to the EQC with his understanding of the effects of the proposed rule. Mr. Wagner stated the rule will have the effect of prohibiting most, if not all CBM produced water discharges.
- I oppose any rule that would set stricter standards for Powder River CBM produced water than the existing WYPDES standards for Conventional Oil and Gas Operations. The concept of a standard is self-explanatory...it should be applied over the entire state. The Powder and Tongue Rivers are not any different from the Wind/Big Horn or Shoshone rivers. This rule is bound to be struck down as arbitrary and capricious upon appeal.
- It is well understood by the Pennaco and other CBNG operators in the basin that problems with CBM water on some individuals' properties might exist. I have personally dealt with many of these individuals...in my opinion, their view of rights they are owed is skewed beyond all reasonableness. There are many

options available for conflict resolutions that are not being pursued by the petitioners. Changing water quality rules is not a fix for those issues. In nearly every case an engineered solution has been offered to the petitioners. The petitioners seem opposed to anything but a fight.

- The Attorney General's office has repeatedly cautioned the EQC against this petition and the rule it proposes. The EQC would be wise to heed their attorney's advice. Again, upon appeal this rule will be struck down as arbitrary and capricious.

Thank you for the opportunity to comment on this rule. Again, please register my opposition to making this a rule or policy.

Sincerely,

Bernard Craig Gillette Wyoming 307 -6801162

