

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

FILED

JAN 29 2007

Terri A. Lorenzon, Director
Environmental Quality Council

January 26, 2007

RE: Citizen Petition for Rulemaking – PRBRC Revised Version WQD Chapter 2

Dear Mr. Gordon:

I am writing to voice my objection to the recently proposed changes to Chapter 2 of the Wyoming Water Quality Rules and Regulations. This proposed amendment, if adopted, would basically halt CBM development in the Powder River Basin. Since my graduation from the University of Wyoming School of Environment and Natural Resources, (Master of Science in Agricultural and Applied Economics), I have been gainfully employed in the CBM industry since September of 2000 and have learned a great deal about this kind of development.

The primary thing I have learned is that the majority of landowners are praising the water production as a means to alleviate the effects of drought. There is a silent minority at work in the Powder River Basin (PRB) whose sole intent is to halt development, whether it is responsible or not. These proposed rule changes are not going to protect existing use by ranchers, livestock, and wildlife. To the contrary, they are going to cause harm. The proposed rule changes are going to directly impact the amount of CBM produced water that can be discharged and beneficially used. I personally know many different ranchers on active ranching operations who have come to embrace the CBM water production on their lands as a means to keep their operations viable. Recently we have been approached by ranchers asking for more water, not less. The discharge of CBM water has granted these ranches the flexibility to grow two and sometimes three cuttings of hay where without CBM water they would have to purchase all of their winter feed.

The proposed rule changes are going to make it virtually impossible for CBM development and production to continue in the PRB. As I'm sure you are aware, the State of Wyoming has enjoyed a very strong economy with the increase of CBM development over the past 7 years. I have been a lifelong Wyoming resident and I have a deep emotional attachment to this fine state. My own family comes from a ranching background in the PRB. The same ranches that my family once operated are under CBM development that has saved their operation multiple times from the effects of drought, including astronomical losses caused by lightning fires in 2006. If CBM had not been present, most if not all of the structures and forage on the ranch would have been lost. It was CBM discharge water along with the CBM presence in the area that saved the ranch. How is this not a beneficial use?

As a lifelong resident of Wyoming, I wanted to remain here after college. In the absence of CBM development, the opportunities for me were very scarce. CBM production and development has allowed myself and multiple other UW alumni to remain in their home state and give something back to it. We are the ones who have made Wyoming what it is – our home. We want to stay here, but

Addressee
Company
15 April 2004
Page 2

without an economy it wouldn't be possible. I am now a homeowner who is active in my community and I pay my bills. CBM development affords me and all of my colleagues a comfortable living and a future in the State of Wyoming. We all want to stay and continue to invest in Wyoming's future, but if these rule changes are to pass, that future will come up very short and it is a very strong probability that we will be forced to relocate to a stronger economy elsewhere.

I've attached some photos for your review that may help illustrate just what CBM development has done for Sheridan County alone. The first photo is of the people employed in my company (There are now 73). One year's annual earnings for this group of people is approximately \$4.2 million. It is safe to assume that each of those dollars earned is circulated at least three times within the community, whether it be in Buffalo, Story, Big Horn, Sheridan, Dayton, Ranchester, Clearmont, or Arvada. All of the businesses within the area benefit from this wage base, and we are just a small portion of the overall workforce associated with CBM development in Sheridan County alone.

Other attached photos are of the new Sheridan Administration Building, Sheridan Junior High School, Highland Park School. Each of these facilities was significantly funded by tax revenues generated by CBM development in Sheridan County. The picture with the truck and ATV in the back is taken in front of the Board of Control here in Sheridan. That truck, ATV, and the UW graduate who operate them are specifically tasked by the State to inspect CBM discharge impoundments permitted by the State Engineer's Office. The position was created by CBM and funded through CBM revenues to specifically address CBM discharge matters. Lastly, I've attached a photo of the new WDEQ office in Sheridan. It was constructed about two years ago and has already been enlarged to accommodate more than a dozen additional employees whose primary purpose is to monitor CBM discharges. You might find it interesting that several of these individuals are also recent University of Wyoming Graduates as well.

In summary, I implore you to reject the proposed rule changes by the PRBRC to the Wyoming Chapter 2 Water Quality Rules and Regulations. These changes will not help sustain agriculture, they will hinder it. These changes will force Wyoming natives and alumni from the University of Wyoming (funded largely by Wyoming taxation and donations from Wyoming residents and former alumni) to go and apply their talents in other states where there is an economic base that can support them. The proposed rules are going to cause a significant impact to local and small businesses due to a reduced level of circulating income, which will in turn lead to additional unemployment. Finally, the proposed changes will harm all other Wyoming residents across the state due to diminished funding for schools, infrastructure, emergency services, and domestic improvements that are received by mineral taxation.

Sincerely,



Jonathan Gates
P.O. Box 303
Story, WY 82842



*J. M. Huber and Baker Energy
"Partners in Success"*

Powder River Basin, Sheridan, Wyoming



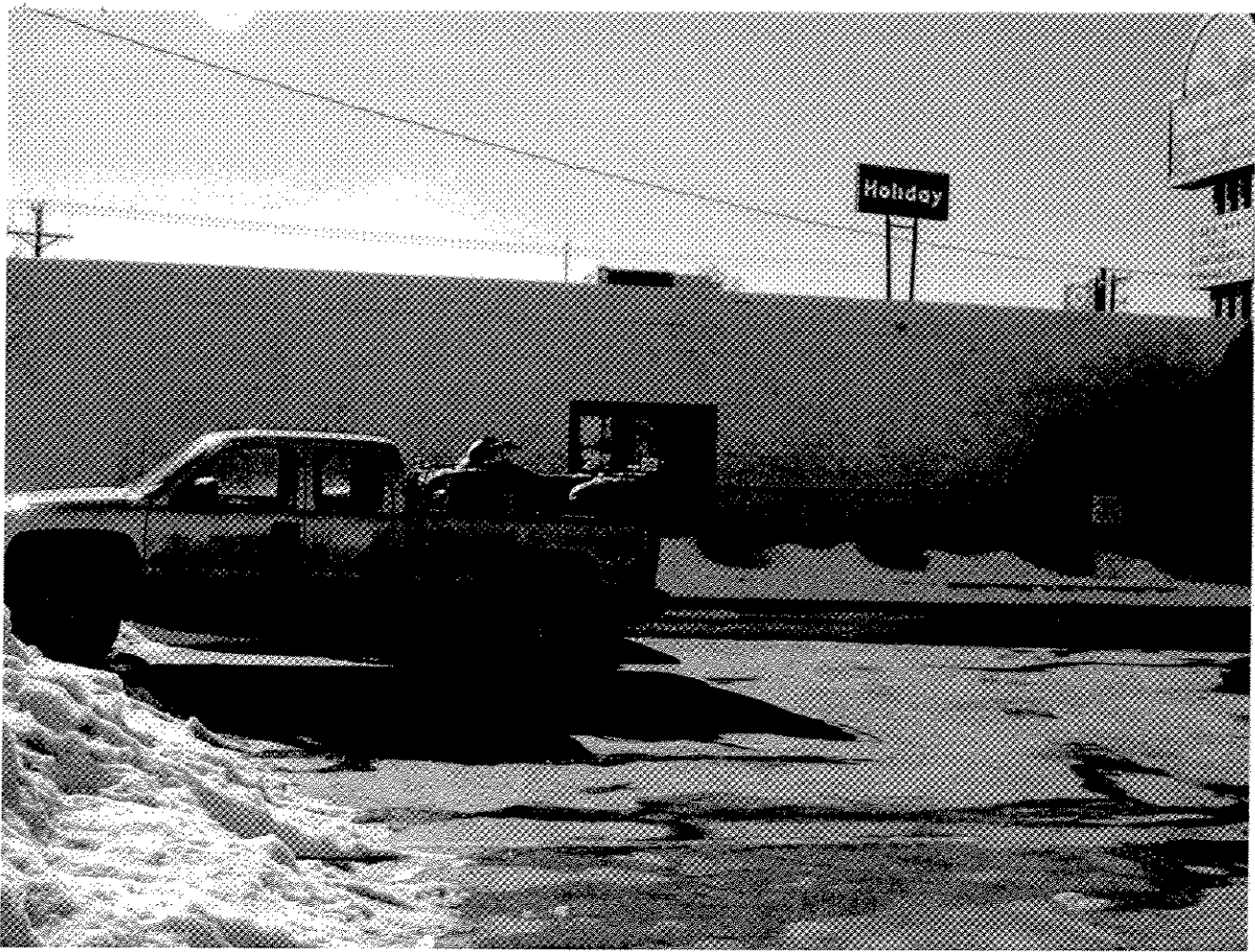
Sheridan Administration Building



Sheridan Junior High School



Highland Park Elementary School



Board of Control



WDEQ - Sheridan office