

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 Petroleum Engineer by education and the current Powder River Basin Operations Manager by job assignment working for Pennaco/Marathon Oil Company in Gillette, WY. I grew up in Wyoming, attended high school in Sheridan and am a proud 1987 graduate of the University of Wyoming.

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

- I oppose rulemaking that reduces or eliminates the ability for coalbed produced water to be discharged and used beneficially.
- 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 my fellow employees and my company will be quite significant.
- The loss of tax revenue to the county and state due to the inevitable reduction in coal bed natural gas production will likely result in a deficit to Wyoming's revenue.
- John Wagner, Administrator of the DEQ's Water Quality Division, has communicated to the EQC his understanding that the effects of the proposed rule will prohibit 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. This rule will likely be struck down as arbitrary and capricious upon appeal.
- Pennaco and other CBNG operators in the Basin are aware that problems with CBM water on some individual's properties may exist. There are several options available for conflict resolution in these few cases that are not being pursued by the petitioners. In nearly every case an engineered solution has been offered to the

petitioners but the petitioners seem opposed to anything but a fight. Changing water quality rules is not the solution for those issues.

- The Attorney General's office has repeatedly cautioned the EQC against this petition and the rule it proposes.
- Thank you for the opportunity to comment on this rule. Again, please register my opposition to making this a rule or policy. Please feel free to contact me at 307-685-5061 if you have any questions regarding my opinion.

Sincerely,

A handwritten signature in black ink, appearing to read "PM Hedderman", followed by a horizontal line.

Patrick M. Hedderman