

Buster Ivory  
1413 Carmel Court  
Gillette, WY 82716

January 29, 2007

Mr. Mark Gordon, Chairman  
Wyoming Environmental Quality Council  
122 West 25<sup>th</sup> Street  
Herschler Building, Room 1714  
Cheyenne, WY 82002

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JAN 29 2007

Terri A. Lorenzon, Director  
Environmental Quality Council

Dear Mr. Gordon:

I am a geologist who has worked in the CBM industry in the Powder River Basin for over five years, but I would like you to also consider that I am a Wyoming native with ancestors that have lived in this area since before Statehood. I was not born in Wyoming, but of my nearly thirty four years, thirty three were spent in the state. I attended elementary school and high school in Cody, Wyoming, and continued my education at the University of Wyoming. My mother's family is from Hot Springs County, Wyoming where they homesteaded with the first of the white settlers in the 1800s. Although I'm not sure that I can document this, my Grandmother has always said that one of our ancestors was the first white child born in the Big Horn Basin. Another of my ancestors was adjutant general of the Wyoming area prior to statehood. Vincent Hayes, my great-grandfather, was a lifelong rancher and resident of Hot Springs county and served as Game and Fish commissioner for a number of years. My family has always been very closely related to agriculture in Wyoming. I have lived and worked on ranches near Thermopolis, Sheridan and Cody. I give you this background to demonstrate that I am knowledgeable in many aspects of Wyoming and have a vested interest in not only the success of the State, but the responsible use of the State's resources.

The most enjoyable component of my time in the CBM industry has been meeting and working with landowners in Campbell, Johnson, Sheridan and Converse County. I have always done my best to develop a situation which benefited the landowners to the highest possible degree. I believe that most I have worked with have been satisfied with the overall outcome. During this period of drought these landowners have been able to get water supplied to areas where historic runoff was not available. In the environment we have in the basin, particularly in a drought, water is the limiting factor in the success of these ranchers. Also payments, both royalty and surface use, that many have received from the oil and gas industry have helped to offset decreased profits from cattle sales due to the limited grass that has been available because of the lack of precipitation. It is my belief that ranchers are the lifeblood of the State of Wyoming. We have picked the image of the cowboy to represent our university and state license plate among other things. I am absolutely for anything that helps these people continue there operations through

difficult times and am adamantly opposed to the proposed rule change which would hurt their operations. I believe wholeheartedly that the CBM industry has facilitated many water uses that have vastly improved the conditions for the ranchers who own or lease the property from which the gas is extracted.

The Citizen Petition for Rulemaking – Powder River Basin Resource Council et al – WQD chapter 2 would in the words of John Wagner “have the effect of prohibiting most, if not all coal bed methane (CBM) discharges to the surface.” I am strongly opposed to any rule change which would have this effect. My opposition is based, in part, on the fact that such a rule would have a negative impact on the vast majority of livestock producers I have had the privilege to work with in the past years. The elimination or reduction of surface discharges would not only prevent the beneficial use of the produced water by livestock, but would eliminate or reduce payments, both royalty and surface use, collected by ranchers. As I stated before this is an important financial supplement to many ranchers through the reduced agricultural production times caused by the current drought. The proposed rule change would not only prevent new discharges which would provide increased beneficial use. Existing discharges, many of which ranchers already rely heavily on, would be stopped. I have also been told by one Sheridan County resident that the appraised value of his land was increased by 10-12% by a professional appraiser based solely on the fact that water was available from seven CBM discharges on his property. Elimination of discharge would cost him hundreds of thousands of dollars overnight.

In addition to the negative economic effect that this rule change would have on livestock producers in the Powder River Basin, I encourage you to consider the impacts this would have on the state of Wyoming. The most obvious direct impact would be the loss of royalty payments the state now receives from CBM wells on State property and on Federal property. It is my understanding that half of the royalties from Federal wells revert to the State. The next impact would be loss of thousands of jobs in the Powder River Basin alone. This would decrease the tax base immediately. Real estate values would plummet in the area. This would be particularly devastating to young couples who have recently chosen the Powder River Basin of Wyoming as a location to start their families and careers and buy their first house. A thirty to forty percent decline in real estate values, which I believe could be one of many results of such a rule change, would most certainly leave them in a large negative equity situation. Many businesses may bankrupt creating a ripple effect. Wyoming does not need to look to far back in history to see that this is a real possibility for the Powder River Basin.

I further encourage you to look at the impact such a change could have on the Wyoming education system. As you are probably aware most, if not all, personnel associated with the Wyoming school system just received a large raise last year. It was my impression that this raise was a direct result of the large budget surplus. The CBM industry is certainly a large contributor to that surplus. I was very excited to hear about this, and not just because my wife works for the Campbell County School District. I have long been concerned that the previous low wages were often not effective in attracting many of the brightest and most capable potential teachers which are part of the key to the future

success of our state. We have been fortunate to have some wonderful people who were attracted, in part, by the non-monetary rewards that teaching had to offer. I credit a number of these people for the successes I have enjoyed in my life. I was proud that my industry was able to contribute a significant revenue stream to the state to raise the wages for teachers, and not only reward those individuals already doing a great job of educating the youth of Wyoming, but also help to attract others to the education field in the future.

On a smaller scale, I would like to talk about the affects of such a rule change on four people who I have and continue to work closely with. All of them went to high school and were raised in the Cody, Wyoming area. I personally contacted and encouraged three of these people to move to Gillette. They are all very bright and talented people that our state should be proud of and motivated to keep here in the future so that they may continue to make Wyoming the Great State it has been and continues to be. At this time they are employed in various disciplines in the CBM industry. This rule change would result in all four people, as well as myself, losing our jobs. At that time our most viable option to continue our careers would be to move out of this state to get jobs in which we could continue to use our experience, education and skill. I have heard various people, including the Governor, speak about the overwhelming concern they have with the continuing loss of many of the State's brightest and most ambitious young people to other areas.

Personally, the rule change would be economically devastating. I would no longer have a career in Gillette, which has been my home since 2001. It is a very real possibility that my wife, who was born, raised and educated in Wyoming, would also be laid off as a result of the decrease in enrollment in the Campbell County School District as many parents lose their jobs and subsequently move to other locations, most likely out of the state. My wife is a recent graduate of the Occupational Therapy program at Casper College and also the most recent Occupational Therapist hired by the Campbell County School District.

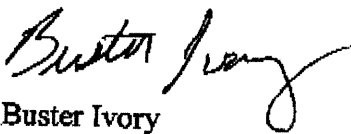
As a scientist who greatly appreciates the education provided to him by the University of Wyoming and its Geology Department, I believe that this proposed rule is not scientifically valid. The proposed limits are not based on valid scientific principles. Adopting limits that are different for two different sectors of the oil and gas industry concerns me. I also question the validity of the proposed limit for barium which is ten percent of the Maximum Contaminant Limit recommended for drinking water by the EPA.

While there may be some conflicts remaining, the system currently has worked to successfully resolve the vast majority of concerns I have been made aware of over the last five years. I have personally took the initiative to help resolve conflicts which were not related directly to me or the companies I have worked for both as a consultant and an employee over the past five years. It is my experience that most people working in the industry are like me and are not the exception to the rule. I would encourage those with concerns to work with us and not against us to resolve conflicts.

The adoption of the proposed rule change would have a devastating impact on an industry that has largely been responsible in working to resolve concerns with the residents of the Powder River Basin. This would result in many negative impacts to the area and the state. I have outlined a few of the significant events I feel would likely result from such a rule change. I encourage you to consider these and many others. If you have questions or would like to further discuss this issue please do not hesitate to contact me by email ([bivory@bresnan.net](mailto:bivory@bresnan.net)) or by telephone at (307) 689-2191.

Thank you for your time and consideration.

Sincerely,



Buster Ivory

CC: Dave Freuenthal, Governor, State of Wyoming  
Henry H. R. "Hank" Coe, Senator, Wyoming Senate District #18  
John J. Hines, Senator, Wyoming Senate District #23  
Michael Von Flatern, Senator, Wyoming Senate District #24  
Colin M. Simpson, Representative, Wyoming House District #24  
Thomas E. Lubnau, Representative, Wyoming House District #31  
Timothy P. Hallinan, Representative, Wyoming House District #32  
Pat Childers, Representative, Wyoming House District #50  
Sue Wallis, Representative, Wyoming House District #52  
Erin E. Mercer, Representative, Wyoming House District #53