

VIA FACSIMILE

February 14, 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**

FEB 14 2007

Terri A. Lorenzon, Director  
Environmental Quality Council

RE: DEQ's Proposed Rule/Policy (Appendix H) regarding Chapter 1, Section 20.

Dear Mr. Gordon,

I am a Mining Engineer working as a Project Manager for Pennaco/Marathon Oil Company in Gillette, WY. I have lived in Wyoming for the past 11 years after seeking refuge from an overcrowded Colorado. The first five of those years I spent self employed after starting a small retail business in Buffalo, WY. During this time of self employment, life was extremely difficult due to scraping a living in a poor economy. I was forced to liquidate my business and relocate to Gillette where jobs could be found. After working five years with a small Civil Engineering firm, I was hired into my present job where for the first time since moving to Wyoming, I am fairly compensated. My wife of 28 years and two daughters have made these adjustments as well. All three have been assimilated into the community with work, school and church. We all do weekly volunteer work.

Although the following opposition statement has been reported by others, I fully agree with its contents and believe that the passing of this ruling will have a negative affect not only CBM operators, but ranchers, wildlife and the public in general.

**I oppose the Department of Environmental Quality's proposed Rule (Appendix H) or Policy regarding Chapter 1, Section 20.**

- 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.

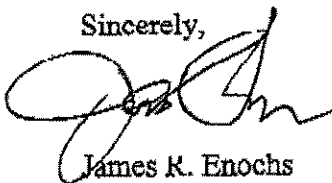
I would also like to make the following points about this rule:

- Appendix H will eliminate a source of water needed by ranchers and will negatively affect livestock and wildlife uses
- Chapter 1, Section 20 and the Ag Use Protection Policy does not protect existing uses of CBM produced waters.
- If a rancher wants water to flow down his drainage, he may be prohibited to do so if WYDEQ arbitrarily sets SAR and EC limits that CBM produced water cannot meet.

- The section on "Naturally Irrigated Lands" would allow a single landowner or even a third party to deprive landowners from beneficial use of water suitable for wildlife and livestock.
- Natural rainwater flowing down the drainages during storms does not typically meet the default limits spelled out in the Draft Section 20 rule/Policy.
- This policy/rule has the effect of limiting the jurisdiction of the State Engineer and appropriated water rights.
- The Water and Waste Advisory Board suggested to WYDEQ that it consider water quality standards based on the Bridger Montana Study. This study is more appropriate for use in Wyoming as the study makes use of soils similar to that in Wyoming, rather than the California study currently being used. DEQ should heed the advice of the WWAB.
- This Rule/Policy places the Operator in a position where existing water management plans and structures such as reservoirs are made obsolete, resulting in substantial costs to replace, possibly making fields uneconomical.
- Operators recognize water management is a critical path to their development plans. Operators will not likely drill/construct projects until a water management plan can be firmed up. This policy/rule will likely have a negative effect on future development of CBNG resources in the Powder River Basin.
- CBNG industry is already carrying a sizable regulatory burden. Further regulation puts further production at jeopardy. If further production/ development is in jeopardy economic impacts are likely to follow.
- Water management decisions need to be left to responsible landowners and operators. Don't take away use of reservoirs (which may not be capable of containing the 50 year/24 hour event and all produced water) as a viable water management tool.

Thank you for the opportunity to comment on this rule. Please register my opposition to making this a rule or policy. Please feel free to contact me at 307-685-5078 if you have any questions regarding my opinion. I have appreciated living in the beautiful state of Wyoming and desire to see it preserved for countless generations to follow.

Sincerely,



James R. Enochs  
Project Manager