

February 14, 2007

Mr. Mark Gordon  
Chairman  
Wyoming Environmental Quality Council  
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Terri A. Lorenzon, Director  
Environmental Quality Council

Wyoming Department of Environmental Quality  
Water Quality Division - Attention Bill Dirienzo  
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122 West 25<sup>th</sup> Street  
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RE: Proposed rulemaking to Chapter 1, Section 20

Dear Mr. Gordon and Mr. Dirienzo:

I have recently learned of the proposed rulemaking to chapter 1, section 20 (referred to as the Ag Protection Policy). As I looked over the facts surrounding this issue I became very concerned about the potential effects this could have on CBM producers and current users of produced CBM discharge.

This policy has set default limits for EC and SAR based on a study of California soils and vegetation, and it has ignored data from a study which uses similar soils and vegetation (performed in Bridger Montana). The Bridger Montana study has concluded that soils, similar to what we have in Wyoming, have the ability to accept water of higher EC and SAR values and still maintain their productivity. The higher EC and SAR values would not allow discharge of any produced water; however, the limits would be far more economic for the majority of the Basin's outfalls.

Coal Bed Methane is an important natural resource that provides large revenues for the Federal and State governments and supports many private individuals. Economics are an important consideration in any business venture; as operators are forced to spend more to produce the same amount of gas the economics diminish their ability to produce this gas. In the event that operators are forced to treat all of their produced water, many fields would become uneconomic and their gas resource would be lost. The landowners right to use the produced water from these fields would also be lost.

This proposed rulemaking also states that if the default limits cannot be met the produced water could be contained in a reservoir if enough freeboard is left to contain the 50 year 24 hour storm event. This was proposed to protect the downstream irrigation from the produced water contained in the reservoirs. This seems contradictory; if enough freeboard is left to contain the 50 year event no water will reach the downstream

irrigation during the storm event. Instead of protecting the downstream irrigation this policy effectively eliminates it.

Under the policy an operator can treat their produced water and discharge it into a reservoir without maintaining the 50 year freeboard. The economics of treating water and then discharging it into a reservoir, that had substantial cost associated with its construction, do not add up to the cost effective production of gas. This seems to me that it would eliminate the use of reservoirs as operators could not afford to both treat water and build reservoirs. Under this new scenario I see two different options for the downstream irrigators; either they receive no water (with reservoirs with enough freeboard for the 50 year storm), or they have a continual stream of water flowing over their bottomlands (from the treatment facilities). Neither of these options seem to me as a protection for the downstream irrigators.

I would encourage you to look at the studies that were performed on similar soils and vegetation; I think these are the most accurate representation of the situation we are facing in the Powder River Basin. I support the idea of developing these natural resources in a responsible manner; however, I don't see this policy as ensuring responsible development. I see this policy as limiting the beneficial use of the water resource for many landowners that have come to depend on it.

Thank you for taking the time to read my comment.

Respectfully,

Jebediah Tachick  
Regulatory Agent  
Yates Petroleum