

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**

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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 an HES Professional working for Pennaco/Marathon Oil Company in Gillette, WY, working in the Coal Bed Methane Industry. I have lived in Wyoming for the past 26 years, 25 of them with mining companies. I have seen the PRC oppose the mining industry when I worked for them and when they couldn't succeed there; I see they are now picking on the CBM Industry. We (the CBM industry) are being very proactive in the methods we are trying to come up with to control the water issues at hand. By allowing the PRC to pass this petition, this would be very detrimental to the economy of WY, not to mention the economic devastation it would have to Gillette, Buffalo, Sheridan and other surrounding areas.

The governor has encouraged the Powder River Safety Council to come up with training, propose new regulations, etc. from our newly formed Safety Group because there are no current OSHA regulations that apply specifically to the CBM industry. If the governor is asking for our help, how can your department allow this small group from the PRC to counteract the governor's initiatives to help support the Coal Bed Methane Industry???

**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. Again, please register my opposition to making this a rule or policy. Please feel free to contact me at 307-685-5623 if you have any questions regarding my opinion. I love Wyoming and do not want to lose my ability to make a living in this wonderful state!

Sincerely,

  
Lenny Altenburg  
HFS Professional  
Marathon Oil Company