

Coalbed Methane Working Group Meeting Summary

**February 1, 2010
Clarion Inn, Gillette, WY**

DRAFT (Do not circulate)
Draft Date: 02/09/10

APPROVED (For general distribution)
Approval Date: 03/04/10

Attendance

Working Group Members:

Steve Adami, Landowner
Eric Barlow, Landowner
Robert Brug, Landowner
Rebecca Byram, Devon Energy Corporation
John Corra, WY Dept of Env Quality
Bill DiRienzo, WY Dept of Env Quality
Craig Eggerman, WY Oil & Gas Conservation Comm
Ken Hamilton, Farm Bureau
Tom Harriet, Landowner
Bill Hill, WY Bureau of Land Management
David Hill, Marathon Oil Company
Steve Jones, Wyoming Outdoor Council
Harry LaBonde, WY State Engineer's Office
Jill Morrison, Powder River Basin Res Council
Joe Olson, Williams Production Co.
John Robitaille, Petroleum Assoc of WY
Jason Thomas, WY Dept of Env Quality
Ed Swartz, Landowner
John Wagner, WY Dept of Env Quyality
Terry Wolf, Washakie County Commission

Member Alternates:

Eric Sandberg, Williams Production Co.
Dee Hillberry
Bill Bensel, Powder River Basin Res Council

Absent:

Marge West, Landowner
Jim Hillberry
Bob LeResche, PRBRC

Others:

Dan Clark, WY Dept of Env Quality

Facilitators:

Steve Smutko, Ruckelshaus Institute
Diana Hulme, Ruckelshaus Institute
Joe Evers, Ruckelshaus Institute

February 1, 2010 Meeting Agenda

1. Welcome, Agenda review and approval
2. Public comment
3. Meeting summary review and approval
4. Information and updates
5. Adoption of Working Group goals
6. Discussion and adoption of issues to be discussed
7. Identification of options
8. Public comment
9. Wrap up and agenda items for next meeting

Handouts Provided

1. Jan. 7, 2010 meeting summary
2. Feb. 1, 2010 Agenda
3. CBM Produced Water Working Group Goals
4. CBM Produced Water Working Group Issues Worksheet
5. Options Worksheet and Options example sheet

Actions Taken

1. Adopted Working Group goal statements
2. Adopted list of issues for the Working Group to address
3. Generated a draft list of options.

I. Welcome, Agenda Review

- A. DEQ Director John Corra, welcomed the working group to its third meeting. Members introduced themselves around the table.
- B. Facilitator, Steve Smutko introduced the agenda. The agenda was approved as presented.

II. Public Comment

- A. John Corra opened the meeting for public comment. He prefaced the public comment period with a statement of the purpose of this meeting and working group process.
- B. Tom Johnson of Summit, thanked the group for using the microphones.

III. Meeting Summary Review/Approval

- A. The January 7 meeting summary was adopted with no corrections.

IV. Information and Updates

- A. Joe Olson, of Williams Production Co., informed the group he would be leaving at noon and that his colleague Eric Sandberg would be replacing him at the table.
- B. A group member requested information from John Corra regarding the EPA's objections to DEQ permits and the DEQ's response.
- C. Mr. Cora responded with an explanation of the current process and where the DEQ is in discussion with EPA. He stated that DEQ is making a determination of whether to file

for a formal hearing and that that decision would be made soon. He will inform the Working Group of DEQ staff's decision no later than the March working group meeting.

- D. When asked to elaborate on specific issues the DEQ will address, Mr. Cora said that some progress has been made in areas where permit information is already available and will be shared, but no specific agreements have been made yet.
- E. Group wanted to know if a hearing did take place what would happen.
- F. Mr. Cora explained that the DEQ requests the hearing and the EPA conducts it. Timelines are not set by statute. The EPA regional administrator selects a hearing officer to conduct the hearing. The hearing will be held in the area of interest (Powder River Basin) and set up to gather public input on the issues considered.
- G. Group asked how/if the BLM would be affected by this process.
- H. Mr. Hill replied that the BLM permitting process is separate from the DEQ process but they are coordinated.

V. Discussion of Goals

- A. Following the Jan. 7, 2010 meeting Ruckelshaus staff reviewed the goal statements generated by the four small groups (see the January 7, 2010 meeting summary for those goal statements) and condensed the seven goal statements into two statements. These were presented to the working group.

B. Following discussion and amendment by the working group, they adopted the following amended goals:

1. Goal #1: Responsibly develop CBM water resources in ways that honor property rights and legal obligations, maintain agricultural and natural gas production, conserve water and protect ecosystems.
2. Goal #2: Develop a system for permitting CBM produced water discharges that meets statutory requirements, and is predictable, flexible, efficient and effective in meeting water quality standards and stakeholder interests.

VI. Discussion of Issues

A. Ruckelshaus staff reviewed all issue statements submitted by the working group at the Jan. 7, meeting. Based upon that review, Institute staff categorized the issue statements into four key issues to be deliberated by the group as:

1. Soils and salts (water quality)
2. Water quantity (flooding, “perennialization”)
3. Beneficial uses and conservation
4. Agency regulation and enforcement

Institute staff also created 5 issue statements for the working group to review and edit. The four key issues and five issue statements were presented to the working group for discussion and editing.

B. The working group divided into four smaller groups to review and discuss the issue statements. Each group offered an amended version of the Ruckelshaus draft. During the lunch break, Ruckelshaus staff combined the products from the four groups into a set of draft issue statements to present to the whole group.

C. After significant discussion by the entire working group, the group settled on the following seven issue statements:

1. Prevent (minimize) damage to soils from salt loading to rangeland, irrigated areas, and native vegetation throughout the PRB watershed caused by CBM discharge water quality.
2. Prevent (minimize) damage from excess water flooding and stream “perennialization” to lands and livelihoods.
3. Conserve groundwater.
4. Protect economic interests of all stakeholders and consider socioeconomic impacts of alternatives.
5. Maintain flexibility for landowners and operators to manage discharge water to the benefit of all parties allowing additional use of water to enhance ag uses without damage to landowners.
6. Account for the variability in individual drainages in the PRB.
7. Assess the regulatory roles of involved agencies DEQ, SEO, WOGCC, to determine if gaps exist.

D. The group was split over whether to use the word “prevent” or “minimize” in statements 1 and 2. Ruckelshaus staff will present alternate wording for the working group’s approval at the next meeting.

E. Smutko reminded the group that the issue statements will be used for developing options or alternatives to address the issues and that will form the basis of the working group’s recommendations.

VII. Identification of Options

A. The group finished the day by working in subgroups of their choosing to brainstorm options that can address the issues they identified. Options were generated by the individual members or small groups and placed on the front wall.

B. Smutko summarized the next steps for the group to complete to help them prepare for deliberation of options and recommendations:

1. Develop measures to determine whether and to what degree the issues are resolved.
2. Continue to develop and refine options.
3. Identify the consequences of each option.
4. Evaluate options.
5. Arrive at recommendations.

VIII. Public Comment

A. John Corra opened the meeting for public comment.

1. Tom Johnson - Repeated again that DEQ was generous about providing a time for public comment. He appreciates taking the time, however more will be said than done with this group. No mention of wildlife in this discussion and socio-economic issues that go along with it in the PRB.

IX. Wrap up and Next Meeting

A. Smutko reviewed the agenda for the March meeting.

B. Smutko reminded the group that if they want to add more options to the list prior to the next meeting to send him an email at Steve.smutko@uwyo.edu

C. The group settled on a May meeting date. The following are the dates for the remaining three meetings:

March 4, 2010

April 1, 2010

May 13, 2010

**Next Meeting:
March, 4, 2010
9:30-4:00
Clarion Inn, Gillette**

1. Welcome
2. Agenda review and approval
3. Public comment period
4. Meeting summary review and approval
5. Information and updates
6. Discussion of issue measures
7. Review and discussion of options
8. Public comment period
9. Wrap up and next agenda