

# Coalbed Methane Working Group Meeting Summary

March 4, 2010  
Clarion Inn, Gillette, WY

**DRAFT (Do not circulate)**  
Draft Date: 03/11/10

**APPROVED (For general distribution)**  
Approval Date:

## 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  
Bob LeResche, PRBRC  
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 Quality  
Marge West, Landowner  
Terry Wolf, Washakie County Commission

### *Member Alternates:*

Dee Hillberry, Landowner  
Michelle Cook, Landowner

### *Absent:*

Robert Brug

### *Others:*

Dan Clark, WY Dept of Env Quality

### *Facilitators:*

Steve Smutko, Ruckelshaus Institute  
Jill Lovato, Ruckelshaus Institute  
Joe Evers, Ruckelshaus Institute

## March, 2010 Meeting Agenda

1. Welcome , agenda review and approval
2. Public comment period
3. Meeting summary review and approval
4. Information and updates
5. Discussion of Issue Measures
6. Review and discussion of Options
7. Public comment period
8. Wrap up and next agenda

## Handouts Provided

1. Feb. 1, 2010 meeting summary
2. Mar. 4, 2010 Agenda
3. CBM Produced Water Working Group Issues-Options Worksheet
4. CBM Produced Water Working Group Interests-Options Worksheet
5. CBM Produced Water Working Group ....

## 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.
1. Michelle Cook substituted for Robert Brug.
- B. Facilitator, Steve Smutko introduced the agenda and explained handouts. The agenda was approved as presented.
2. Marge West would like further clarification on wording of prevent/minimize in DEQ issues #1 and #2.

### **II. Public Comment**

- A. Steve Smutko opened the meeting for public comment.
- B. Tom Johnson of Summit, feels that group got into the weeds last month over the words prevent/minimize. Industry balks at the language, but have no one but themselves to blame. In '96, '96, '98 BLM came into this local area and begged industry for projections, however the information was proprietary and no one wanted to share it. Development then proceeded at a gold rush pace without adequate consideration on this issue. Group should get beyond prevention... it's in the past, good luck in the future.

### **III. Meeting Summary Review/Approval**

- A. The February 1 meeting summary was adopted with no corrections.

### **IV. Information and Updates**

- A. From John Corra –
1. DEQ has two objections from EPA for discharge permits related to CBM produced water. DEQ has requested a hearing. Bill Barrett Corp. has also requested a hearing – not sure which or if both will be conducted.
  2. DEQ continues to work with the EPA and John Wagner has in a response to questions from EPA.
  3. News – Steve Smutko has requested the State Engineer's Office, along with the Wyo DEQ to have a meeting to discuss their roles/responsibilities of their respective organizations. This meeting will occur on March 12 at the SEO office.
- B. Bob LeResche – Can you tell us more about the EPA discussion?
- Response: Jason Thomas (DEQ) – At this point we have discussed EPA's comments. The issues they brought up were concerns with agricultural protection, and analysis and information they feel is lacking. DEQ provided information about requirements we are adding to permits, and what the water quality impacts were going to be. More work is needed on the interim objections to ensuing permits. We need to see how many of the EPA's questions have been answered and what work still remains. We plan to meet with them next week and bring up the objections from the Pumpkin and Willow Creek discussions. We are trying to come to some middle ground, 40 permits will not be issued based on EPA's comments. We look to issue 100 more in the next month, get

them out of the back barn. A separate process is being used for permits using the Tier 2 methodology.

C. Bob LaResche – Further comment of Tier 2 methodology?

Response 1: Jason Thomas – We have our own ideas about what the permits need in terms of additional information, and we are looking to get feedback from this working group on those particular permits.

Response 2: John Wagner – Ordinarily, we make comments, then we send our responses and issue permits. However, in this case we worked with the EPA and have had meetings before we send out comments. The August and September 2009 public notices included 2 permits written under the Tier 2 methodology, DEQ does not plan to issue those 2 permits in the near future.

D. Jill Morrison – Are there any additional requirements to the permits you will issue?

Response: Jason Thomas – Our objective was to get the clarifications into a statement of basis. We feel the permit conditions needed to be clarified or enhanced, but didn't need new requirements. The EPA wasn't requesting new requirements. The Tier 2 permits may get some new requirements, others just clarifications.

E. Steve Jones – Asks if Sarah Stavnes of the EPA, can add anything?

Response: Sarah Stavnes – Our senior staff spoke with Jason and had a productive meeting, we are looking forward to more meetings.

F. Joe Olsen – John Robataille and I participated in a call with industry, and I can relate to the group what was discussed. I can boil it down to two issues that industry sees:

1. Look back at our charter, it says to come up with permitting strategy that fulfills

Chapter 1, Section 20 (ag protection), and protect stakeholders. What people are seeing coming out of this group is that we are going in many different directions away from Chapter 1, Section 20.

2. Our options... we aren't soil scientists; our options are too technical and specific. We would be less in the weeds if we let people who know what they are talking about figure that out. We need to keep on track with our charter.

G. Ed Swartz – The law says no measurable decrease, DEQ has UW scientists check out the Tier 2 methodology and they say it will cause a decrease. The New Mexico report says the methodology is flawed; it's time to find a way to figure this out. Let's get back on focus and use independent science.

## V. Issue Measures

- A. Steve Smutko asked if the group would accept the word "avoid" rather than "prevent" or "minimize" on Issue Statements 1 and 2.
- B. After some discussion, the group voted to accept the word "avoid" on Issue Statements 1 and 2.
- C. The DEQ was asked by Ruckelshaus staff to create a group of measures pertaining to the Issue Statements the Work Group had put forth. Bill DiRienzo, of the DEQ, presented the measures to the group and fielded questions of clarifications that arose from the group discussion surrounding the measures.
- D. The Working Group was then asked to break into small groups to discuss Issue Statements 1-6 and the measures that pertain to them.
- E. Upon returning from lunch the group broke into small groups again to further discuss the issue measures.

F. The group moderators reported back to the group what had been discussed. The Working Group did not vote on whether to accept any or all measures. The measures as discussed and proposed are:

1. **Issue Statement 1:** *Avoid damage to soils from salt loading to rangeland, irrigated areas, and native vegetation throughout the PRB watershed caused by CBM discharge water quality.*

- a. **Measure:** soil salinity and sodicity.
- b. **Method:** Identify baseline and testing locations/frequency. Monitoring that occurs should happen at point of use.
- c. **Method:** Use shallow ground water wells to monitor on channel reservoirs between hay meadows. Monitor the wells quarterly at first then move to monitoring them annually.
- d. **Method:** Keep soil samples separate, don't composite them by depth. Have this process done by an independent third party.
- e. **Method:** Check surface water conditions; tie this to the permits themselves so there is regulatory logic.

2. **Issue Statement 2:** *Avoid damage from excess water flooding and stream "perennialization" to lands and livelihoods.*

- a. **Measure:** Number of acres in which there has been a measureable decrease in agricultural production because of surface flooding or groundwater saturation. Measured parameters could include:
  - Groundwater levels;
  - Number of acres flooded;
  - Number of acres saturated;

- Frequency, timing and extent of flood events (including winter icing events) and/or high groundwater;
- The number and degree of headcutting and lateral channel changes;

b. The group did not agree on when damage occurs as this can be in the eye of the landowner and may be different from one to the other. For example, some felt that there was no "damage" from stream flow as long as it stayed within the channel. Others thought that simply having permanent or extended flow in a naturally ephemeral channel was "damage" because it may affect or force the landowner to change how the land is used.

c. All recognized that flooding and groundwater level fluctuations occur naturally and the challenge is to measure the effect of CBM discharges.

3. **Issue Statement 3:** *Conserve groundwater.*

- a. **Measure:** Amount of produced water that is not being put to a secondary beneficial use.
- b. **Measure:** Drawdown of affected water tables.
- c. **Measure:** Number of existing wells that go out of production or have to be replaced due to water table drawdown.
- d. **Measure:** Number and volume of reinjections and drip irrigation systems put into use.

4. **Issue Statement 4:** *Protect economic interests of all stakeholders and consider*

*socioeconomic impacts of alternatives.*

- a. **Measure:** Loss of income for all stakeholders.
- b. Requires involvement and flexibility on all sides.
- c. Consider on a sub-watershed (site specific) basis.
- d. Develop and use an honest broker process.
- e. Make sure that no one group bears the burden solely.

5. **Issue Statement 5:** *Maintain flexibility for landowners and operators to manage discharge water to the benefit of all parties allowing additional use of water to enhance agricultural uses without damage to landowners.*

- a. Most working group members who came to discuss this issue were concerned that some action would be taken by the CBM work group that would make DEQ less flexible in how it manages CBM water. There was particular concern that anything done about regulating CBM in the PRB would “spill over” and cause the DEQ to be less flexible in regulating produced water discharges in other parts of the state.
- b. There was general consensus that there is no clear objective way to measure flexibility, but there was general agreement that a policy was more flexible than a rule, and that no rule and no policy is the most flexible of all.
- c. One person expressed the opinion that the existing Ag. Protection Policy is not flexible enough.

6. **Issue Statement 6:** *Account for the variability in individual drainages in the PRB.*

- a. **Measure:** Historic uses of lands.
- b. **Measure:** Geologic and soil characteristics of each watershed.
- c. Examine the legal ramifications of actions taken as a way to account for variability

G. After discussion and feedback, the group decided to review the measures prior to the next meeting and discuss them at the April meeting.

## VI. Options

- A. Steve Smutko explained that the task for the group was to evaluate the options they had generated in February. He instructed them to meet in coalitions of similar interests, identify the options they had personally generated at the last meeting, and evaluate them. He instructed the groups to evaluate each option using three criteria and supplied a worksheet for each:
  1. How well the option addresses each issue (Issues-Options Worksheet)
  2. How well the option satisfies the interests of other working group members (Interests-Options Worksheet)
  3. How feasible the option might be relative to the desirability of expected outcomes (Improvement Matrix).
- B. Smutko asked that the coalition groups prioritize their options based on their evaluation.
- C. The coalition groups met to evaluate their options. They reconvened and each group presented the option that they felt satisfied most interests and/or addressed the most issues:

1. Option #56: John Wagner's group – CBM produced water discharge preferred /precluded watersheds – High desirability, but questionable feasibility.
2. Option #65(new): Eric Barlow's group – Monitor and regulate at point of use, set a limit for discharges - Feasibility not considered, but desirability scored high.
3. Option #66(new): Steve Jones' group – phase production to minimize near term impact and extend for a longer period – scored well on desirability.
4. Option #49: Terry Wolf's group – scored high on both desirability and feasibility because it allows flexibility for all parties.
5. Option #67(new): Joe Olson's group – implement a risk based surface water discharge permit system. Asses the channel conditions, effluent quality, effluent volume, and watershed characteristics. Then decide on and permit the optimum water management solution – scored high in both desirability and feasibility.

- A. Steve Smutko asked that each group continue to work on evaluating their priority options between meetings. He asked them to select options or generate new options that will produce desirable outcomes, meet their own interests, and satisfy the interests of the other group members. He further instructed them to be prepared to present them to the rest of the working group members at next meeting.
- B. Smutko polled the group as to whether they have the means to meet prior to the April 1 meeting. All group members responded affirmatively.

## VII. Public Comment

- A. Neil Schuman – Johnson County Rancher – Need to include BLM in discussion. Ranch is bordered by Federal Lands, adjacent land, split estate issues, etc. need to also be considered.

## VIII. Wrap up and Next Meeting

- A. Steve Smutko – Next meeting is on April 1, however there are conflicts with the May meeting, so I need to find out when everyone can meet via email and phone.
- B. Steve Smutko informed the group about the Produced Waters conference put on by UW's SER and ENR Ruckelshaus Institute on May 25 and 26 and Thanks group for their hard work.

**Next Meeting:  
April 1, 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. Review and discussion of issue measures
7. Review and discussion of options
8. Next steps for preparing recommendations
9. Public comment period
10. Wrap up and next agenda