

Wyoming Department of Environmental Quality  
Water Quality Division  
WYPDES Program

STATEMENT OF BASIS

Major Modification

APPLICANT NAME: Pennaco Energy, Inc.

MAILING ADDRESS: 3601 Southern Drive  
Gillette, WY 82718

FACILITY LOCATION: LS Draw – Spotted Horse, which is located in the SESE of Section 19, the NESE of Section 30, and the SWSW of Section 28, all in Township 56 North, Range 75 West in Campbell County. The produced water will be discharged directly into two unnamed ephemeral tributaries (class 3B) of Spotted Horse Creek (class 3B), which is tributary to the Powder River (2ABWW). The established irrigation compliance point (ICP) is located in the SWSE of Section 26, Township 56 North, Range 76 West, prior to the first downstream point of irrigation diversion/use on Spotted Horse Creek. The daily maximum permitted flow rate for this facility is 0.13 MGD. The wells at this facility will discharge effluent originating from the Canyon, Cook, and Wall coal seams.

NUMBER: WY0039721

*Upon approval of this modification, the terms of WY0039721 are hereby modified as follows:*

- 1. The radium<sup>226</sup> effluent limit is updated to reflect current WDEQ permitting approaches.*
- 2. In accordance with current WDEQ policy, the effluent limit and monitoring requirements for total petroleum hydrocarbons (TPH) are removed.*

*Additional initial monitoring reports are not required upon approval of this major modification.*

*With the exception of items explicitly delineated in this major modification, all terms and conditions of WY0037921, including Parts II and III of the renewed permit, shall remain unchanged and in full force and effect.*

This facility is a typical coal bed methane production facility in which groundwater is pumped from a coal bearing formation resulting in the release of methane from the coal bed. The permit authorizes the discharge to the surface of groundwater produced in this way provided the effluent quality is in compliance with effluent limits that are established by this permit. In developing effluent limits, all federal and state regulations and standards have been considered and the most stringent requirements incorporated into the permit. The EPA Effluent Guidelines and Standards for Oil and Gas Extraction Point Source Category (Part 435, Subpart E) predate the development of coal bed methane extraction technology; however the technology is similar enough to conventional gas extraction that, in the professional judgment of the WDEQ, this effluent limit guideline is appropriately applied to coal bed methane gas production. The guideline limits oil and grease effluent concentrations to less than 35 mg/l and requires that discharges of produced water be used for agricultural production and/or wildlife propagation. This permit does not cover activities associated with discharges of drilling fluids, acids, stimulation waters or other fluids derived from the drilling or completion of the wells.

The permittee has chosen option 2 of the coal bed methane permitting options. Under this permitting option, the produced water is immediately discharged to a class 2 or 3 receiving stream which is eventually tributary to a class 2AB perennial water of the state. The permit establishes effluent limits for the end of pipe, which are protective of all the designated uses defined in Chapter 1 of Wyoming Water Quality Rules and Regulations. This may include drinking water, game and non-game fish, fish consumption, aquatic life other than fish, recreation, agriculture,

wildlife, industry and scenic value. Based on a review of this permit application and previous applications in this tributary drainage, it has been determined that active irrigation uses of surface water occur downstream from this facility on Spotted Horse Creek. In addition, the permit establishes an irrigation compliance point (ICP). The irrigation compliance point is a designated monitoring location prior to the first downstream point of irrigation diversion/use in Spotted Horse Creek from the permitted facility. Effluent limits associated with the irrigation compliance points (SAR = 6 and EC = 2000 micromhos/cm) were determined from a combination of one or more of the following: technical information submitted by the applicant, published scientific literature, credible water quality data that has been through formally adopted quality control/quality assurance review, and best professional judgment. These limits are designed to protect the provisions under Chapter 1, Section 20 (protection of agricultural water supply) of the Wyoming Water Quality Rules and Regulations.

The Wyoming DEQ has determined through review of the permit application and available scientific information that effluent discharged from this facility will be put to use for livestock and is unlikely to reach the Powder River. The permittee has submitted certified statements that demonstrate discharged effluent will be put to beneficial use for livestock watering. The permittee has also submitted a water budget which demonstrates that the effluent from this facility is not likely to reach downstream irrigated lands or the Powder River. Information gathered from Western Land Services, Sheridan Wyoming (April 19, 2001) and Hydrologic Consultants, Inc. (2001) indicate a mean channel infiltration loss rate for ephemeral drainages in the Powder River at 0.1 cfs per mile of stream channel. Review of the permit application reveals that this facility is located approximately 6 miles from the nearest downstream irrigation use and approximately 11 miles from the confluence with the Powder River. Maximum total effluent flow rate from this facility is limited to 0.21 cfs.

Permit effluent limits are based on federal and state regulations and are effective as of the date of issuance. The daily maximum effluent flow limit for this facility is 0.13 million gallons per day (MGD). The pH must remain within 6.5 and 8.5 standard units. Effluent limits for total dissolved solids (5,000 mg/l), specific conductance (7500 micromhos/cm), and sulfates (3,000 mg/l) are included to protect for stock and wildlife watering. These limits are based upon *Wyoming Water Quality Rules and Regulations, Chapter 7* and apply to discharges from all permitted outfalls. The permit also establishes a dissolved manganese limit of 630 µg/l, and a chlorides limit of 46 mg/l. These limits are based on chronic aquatic life standards for class 2AB waters as established in the *Wyoming Water Quality Rules and Regulations, Chapter One*. The permit also establishes a total barium limit of 1800 µg/l and a total arsenic limit of 7 µg/l. These limits are based on Water Quality Criteria as established in the *Wyoming Water Quality Rules and Regulations, Chapter One*, for Human Health values. The limits established in this permit for metals and chlorides reflect the application of the antidegradation provisions required under the *Wyoming Water Quality Rules and Regulations, Chapter One*. In addition, the permit establishes a dissolved iron limit of 1000 µg/l, which is based upon chronic aquatic life standards for class 3B waters greater than one mile from the confluence of a class 2 water, and reflects the application of standards required under Chapter 1 of the Wyoming Water Quality Rules and Regulations. The permit originally established a total radium<sup>226</sup> limit of 1 pCi/l and a total petroleum hydrocarbons (TPH) limit of 10 mg/l at the end of pipe. Based upon water quality data collected by the WDEQ since the time this permit was originally issued, a permitting approach for establishing total radium limits in coal bed methane permits has been developed. This approach is based upon the distance of the outfall from a class 2 water. The removal of the originally-established total radium<sup>226</sup> limit is based on this permitting approach. In addition, review of discharge monitoring report data for CBM facilities indicates that the maximum reported concentrations for total petroleum hydrocarbons (TPH) were far below the limit of 10 mg/l. Therefore, according to the Wyoming Water Quality Rules and Regulations, Chapter 2, revised November 10, 2004, Section 5.c.iii.A, the TPH limit for CBM facilities is considered unnecessary, and will be removed from this facility. Based on this information, it is the WDEQ's determination that removing the total radium<sup>226</sup> and total petroleum hydrocarbons limits from this facility conforms to the anti-backsliding requirements as defined by Section 402(o).2.B.i of the Clean Water Act. All limits described in this section are intended to protect for the above listed designated uses, on both the immediate receiving water and the perennial mainstem, and apply at the end of pipe.

In order to monitor and regulate coal bed methane discharge for compliance with Chapter 1, Section 20 (protection of agricultural water supply), effluent limits for sodium adsorption ratio (SAR) and specific conductance are included in this permit. The Wyoming DEQ has determined that an SAR of 6 and a specific conductance of 2000 micromhos/cm is intended to be protective of agriculture use in the Spotted Horse Creek drainage. The specific conductance limit of 2000 micromhos/cm is based on the threshold value for alfalfa which is considered to be the most salt sensitive plant irrigated in northeastern Wyoming (USDA George E. Brown Jr. Salinity Laboratory, Salt

Tolerance Database, Grasses and Forage Crops). Currently no data is available to characterize EC tolerance of alfalfa specific to the Spotted Horse Creek drainage. The SAR limit of 6 was determined to not reduce the rate of infiltration of irrigated soils in the Spotted Horse Creek drainage, given the specific conductance threshold referenced above as ascertained from Figure 3 (page 44) of Agricultural Salinity and Drainage, Hanson et al., 1999 revision. In addition, information from the Section 20 Analyses submitted in support of WYPDES permits WY0046043 and WY0049212 provided information used in establishment of the SAR limit of 6 that is intended to be protective of irrigation uses in the Spotted Horse Creek drainage. An SAR limit of 6 and specific conductance limit of 2000 micromhos/cm will also maintain the baseline C3-S1 irrigation suitability category for the Powder River drainage (see Figure 25, of Diagnosis and Improvement of Saline and Alkali Soils, US Dept. of Agricultural Handbook No. 60, 1954). Sampling will be required for flow volume, calcium, magnesium, sodium, bicarbonate, sodium adsorption ratio and specific conductance when effluent from this facility reaches the irrigation compliance point at any time during the year.

The permit requires daily monitoring on Spotted Horse Creek to determine whether effluent discharged from the outfalls reaches the established irrigation compliance point, located in the SWSE, Section 26, Township 56 North, Range 76 West, on Spotted Horse Creek (see Table 1). Daily monitoring is necessary because the permit establishes different sampling and analysis requirements based on whether the effluent reaches the irrigation compliance point. Once effluent flow at the irrigation compliance point has been documented within a sampling month, then weekly monitoring of flow at the ICP is required for the remainder of that calendar month. At the beginning of each calendar month, the monitoring frequency will revert to daily until such time as effluent flow occurs at the irrigation compliance point and a sample is collected to represent effluent quality for irrigation compliance point constituents. Results are to be reported twice-yearly and if no effluent from this facility reaches the irrigation compliance point during an entire sampling month, then "no discharge" is to be reported for the ICP that month.

The permit also requires sampling at designated water quality monitoring stations located on the receiving stream (Spotted Horse Creek) and at locations on the Powder River (class 2ABWW water) that Spotted Horse Creek eventually confluences. Water quality monitoring stations on the Powder River will be located upstream and downstream of the confluence of Spotted Horse Creek with the Powder River. Effluent samples at the designated water quality monitoring stations must be collected on a monthly sampling basis and are to be reported semiannually. If no effluent from this facility intercepts the TRIB1 monitoring station on Spotted Horse Creek (in the SWNE of Section 7, Township 56 North, Range 76 West), then "no discharge" is to be reported and samples need not be collected at the three water quality monitoring stations for that monthly sampling period. At the designated water quality monitoring stations, monitoring will be required for calcium, magnesium, sodium, sodium adsorption ratio and specific conductance. Information gathered from the water quality monitoring stations may result in modification of the permit to protect existing uses on the tributary and mainstem.

The designated water quality monitoring stations are located on the tributary in the SWNE of Section 7 in Township 56 North, Range 76 West (TRIB1); and on the mainstem in the NWSW of Section 7 in Township 56 North, Range 76 West (UPR) and in the SENW of Section 31 in Township 57 North, Range 76 West (DPR). Established water quality monitoring stations on the mainstem are to be located outside the mixing zone of the tributary with the mainstem.

There shall be no discharge of floating solids or visible foam in other than trace amounts, nor shall the discharge cause formation of visible deposits of iron, hydrocarbons or any other constituent on the bottom or shoreline of the receiving water. In addition, erosion control measures will be implemented to prevent significant damage to or erosion of the receiving water channel at the point of discharge.

The discharge of wastewater and the effluent limits that are established in this permit have been reviewed to ensure that the levels of water quality necessary to protect the designated uses of the receiving waters are maintained and protected. An antidegradation review has been conducted and verifies that the permit conditions, including the effluent limitations established, provide a level of protection to the receiving water consistent with the antidegradation provisions of Wyoming surface water quality standards.

Self monitoring of effluent quality and quantity is required on a regular basis with reporting of results semiannually. The permit is scheduled to expire on March 31, 2007. This expiration date was determined through review of the watershed permitting schedule which the WDEQ is implementing in order to synchronize the permitting and

expiration of facilities within the same watershed. This holistic approach will provide for more efficient permitting of point-source discharges.

Jason Thomas  
Water Quality Division  
Department of Environmental Quality  
Drafted: March 30, 2004

Jennifer Zygmunt (major modification)  
Water Quality Division  
Department of Environmental Quality  
Drafted: April 13, 2005

AUTHORIZATION TO DISCHARGE UNDER THE  
WYOMING POLLUTANT DISCHARGE ELIMINATION SYSTEM

In compliance with the provisions of the Federal Water Pollution Control Act, (hereinafter referred to as "the Act"), and the Wyoming Environmental Quality Act,

Pennaco Energy, Inc.

is authorized to discharge from the wastewater treatment facilities serving the

LS Draw – Spotted Horse

located in

the SESE of Section 19, the NESE of Section 30, and the SWSW of Section 28, all in Township 56 North, Range 75 West in Campbell County


to receiving waters named

directly into two unnamed ephemeral tributaries (class 3B) of Spotted Horse Creek (class 3B), which is tributary to the Powder River (2ABWW)

in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts I, II and III hereof.

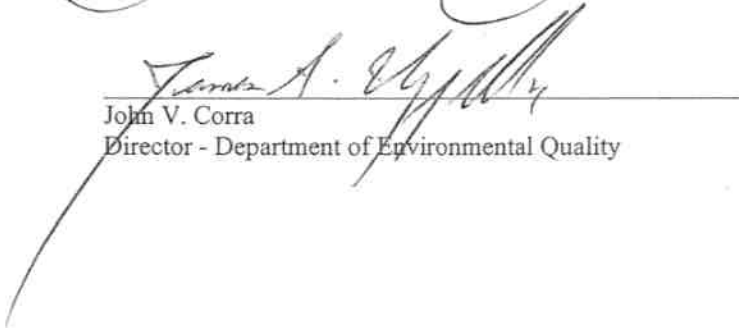
This major modification shall become effective on the date of signature by the Director of the Department of Environmental Quality. With the exception of items explicitly delineated in this major modification, all terms and conditions of WY0039721, including Parts II and III of the renewed permit, shall remain unchanged and in full force and effect.

This permit and the authorization to discharge shall expire March 31, 2007 at midnight.

  
John F. Wagner  
Administrator - Water Quality

Date

1/19/06

  
John V. Corra  
Director - Department of Environmental Quality

Date

1/19/06

PART I

A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

Effective immediately and lasting through March 31, 2007, the quality of effluent discharged by the permittee shall, at a minimum, meet the limitations set forth below. The permittee is authorized to discharge from outfalls serial numbers 001, 002, 004.

1. Such discharges shall be limited as specified below:

Effluent Limits

<u>Effluent Characteristic</u>	<u>Daily Maximum</u> <u>Outfall</u>	<u>Daily Maximum</u> <u>Irrigation Compliance Point</u>
Chlorides, mg/l	46	
Dissolved Iron, µg/l	1000	
Dissolved Manganese, µg/l	630	
pH, standard units	6.5 – 8.5	
Specific Conductance, micromhos/cm	7500	2000
Sulfates, mg/l	3000	
Total Arsenic, µg/l	7	
Total Barium, µg/l	1800	
Total Dissolved Solids, mg/l	5000	
Sodium Adsorption Ratio, calculated		6
Total Flow, MGD*	0.13	

\*Total Flow is to be calculated as the sum of all discharge from all permitted outfalls.

Note: 1) 'Dissolved' value for metals refers to the amount that will pass through a 0.45 µm membrane filter prior to acidification to 1.5-2.0 with Nitric Acid.

2) 'Total' value for metals refers to the total recoverable amount of that metal in the water column.

The pH shall not be less than 6.5 standard units nor greater than 8.5 standard units in any single grab sample.

This facility has a total combined daily maximum flow rate of 0.13 million gallons per day (MGD) from outfalls 001, 002, and 004. The produced water will originate from the Canyon, Cook, and Wall coal seams.

Information gathered from the water quality monitoring stations may result in modification of the permit to protect existing uses on the tributary and the mainstem.

There shall be no discharge of floating solids or visible foam in other than trace amounts, nor shall the discharge cause formation of a visible sheen or visible hydrocarbon deposits on the bottom or shoreline of the receiving water.

All waters shall be discharged in a manner to prevent erosion, scouring, or damage to stream banks, streambeds, ditches, or other waters of the state at the point of discharge. In addition, there shall be no deposition of substances in quantities which could result in significant aesthetic degradation, or degradation of habitat for aquatic life, plant life or wildlife; or which could adversely affect public water supplies or those intended for agricultural or industrial use.

2. Discharges shall be monitored by the permittee as specified below:

a. Routine monitoring End of Pipe (001, 002, 004)

For the duration of the permit, at a minimum, samples for the constituents described below shall be collected at the indicated frequencies. The first routine monitoring for the time frame during which the monitoring of initial discharge occurs will, at a minimum, consist of flow measurements for the duration of the six-month monitoring time frame. Monitoring will be based on semi-annual time frames, from January through June, and from July through December.

<u>Parameter</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
Bicarbonate	Monthly	Grab
Calcium	Monthly	Grab
Chloride	Annually	Grab
Dissolved Iron	Annually	Grab
Disolved Manganese	Annually	Grab
Magnesium	Monthly	Grab
pH	Once Every Six Months	Grab
Sodium	Monthly	Grab
Sodium Adsorption Ratio	Monthly	Calculated
Specific Conductance	Monthly	Grab
Sulfate	Annually	Grab
Total Alkalinity	Once Every Six Months	Grab
Total Arsenic	Annually	Grab
Total Barium	Annually	Grab
Total Flow - (MGD)	Monthly	Continuous

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): At the outfall of the final treatment unit which is located out of the natural drainage and prior to admixture with diluent waters.

b. Irrigation Compliance Point (ICP)

For the duration of the permit, at a minimum, samples for the constituents described below shall be collected at the indicated frequencies when water discharged from the

outfalls reaches the irrigation compliance point. Limits at the irrigation compliance point are effective year round. Monitoring will be based on monthly time frames and reported semi-annually.

<u>Parameter</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
Calcium	Monthly	Grab
Magnesium	Monthly	Grab
Sodium	Monthly	Grab
Sodium Adsorption Ratio	Monthly	Calculated
Specific Conductance	Monthly	Grab
Total Flow - (MGD)	Monthly	Instantaneous

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): at the irrigation compliance point which is located in the SWSE of Section 26, Township 56 North, Range 76 West on Spotted Horse Creek (see Table 1).

The permit requires daily monitoring on Spotted Horse Creek to determine whether effluent discharged from the outfalls reaches the established irrigation compliance point (ICP), located on Spotted Horse Creek (see Table 1). Daily monitoring is necessary because the permit establishes different sampling and analysis requirements based on whether the effluent reaches the irrigation compliance point. Once effluent flow at the irrigation compliance point has been documented within a sampling month, then weekly monitoring of flow at the ICP is required for the remainder of that calendar month. At the beginning of each calendar month, the monitoring frequency will revert to daily until such time as effluent flow occurs at the irrigation compliance point and a sample is collected to represent effluent quality for irrigation compliance point constituents. Results are to be reported twice-yearly and if no effluent from this facility reaches the irrigation compliance point during an entire sampling month, then "no discharge" is to be reported for the ICP that month.

c. Water Quality Monitoring Stations (TRIB1, UPR, and DPR)

For the duration of the permit, at a minimum, samples for the constituents described below shall be collected at the indicated frequencies. Monitoring will be based on monthly time frames, and reported semiannually.

<u>Parameter</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
Calcium	Monthly	Grab
Magnesium	Monthly	Grab
Sodium	Monthly	Grab

Sodium Adsorption Ratio	Monthly	Calculated
Specific Conductance	Monthly	Grab
Flow*	Monthly	Instantaneous

\*Flow is to be monitored and reported only at the tributary monitoring station located on Spotted Horse Creek (TRIB1). The permittee is not required to monitor or report flow at the mainstem monitoring stations (UPR and DPR).

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): designated water quality monitoring stations located on Spotted Horse Creek and in the main channel of the Powder River, upstream and downstream of the confluence with Spotted Horse Creek (see table 1 for legal locations). Established water quality monitoring stations on the mainstem are located outside the mixing zone with the tributary and the mainstem. Effluent samples at the designated water quality monitoring stations must be collected on a monthly sampling basis and are to be reported semiannually. If no effluent from this facility intercepts the tributary monitoring station on Spotted Horse Creek (TRIB1) during an entire sampling month, then "no discharge" is to be reported and samples need not be collected at the four water quality monitoring stations for that monthly sampling period.

B. MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored discharge. All samples shall be taken at the monitoring points specified in this permit and, unless otherwise specified, before the effluent joins or is diluted by any other waste stream, body of water, or substance. Monitoring points shall not be changed without notification to and approval by, the permit issuing authority.

2. Reporting

Results of routine end of pipe and water quality station monitoring during the previous six (6) months shall be summarized and reported semiannually on a Discharge Monitoring Report Form (DMR). If the discharge is intermittent, the date the discharge began and ended must be included. The information submitted on the first semiannual DMR shall contain a summary of flow measurements and any additional monitoring conducted subsequent to the submittal of the initial monitoring report. When required, whole effluent toxicity (biomonitoring) results must be reported on the most recent version of EPA Region VIII's Guidance for Whole Effluent Reporting. Monitoring reports must be submitted to the state water pollution control agency at the following address postmarked no later than the 15th day of the second month following the completed reporting period. The first report is due on August 15, 2006.

Legible copies of these, and all other reports required herein, shall be signed and certified in accordance with the Signatory Requirements contained in Part II.A.11.

Wyoming Department of Environmental Quality  
Water Quality Division  
Herschler Building, 4 West  
122 West 25th Street  
Cheyenne, WY 82002  
Telephone: (307) 777-7781

If no discharge occurs during the reporting period, "no discharge" shall be reported. If discharge is intermittent during the reporting period, sampling shall be done while the facility is discharging.

3. Definitions

- a. The "monthly average" shall be determined by calculating the arithmetic mean (geometric mean in the case of fecal coliform) of all composite and/or grab samples collected during a calendar month.
- b. The "weekly average" shall be determined by calculating the arithmetic mean (geometric mean in the case of fecal coliform) of all composite and/or grab samples collected during any week.
- c. The "daily maximum" shall be determined by the analysis of a single grab or composite sample.
- d. "MGD", for monitoring requirements, is defined as million gallons per day.
- e. "Net" value, if noted under Effluent Characteristics, is calculated on the basis of the net increase of the individual parameter over the quantity of that same parameter present in the intake water measured prior to any contamination or use in the process of this facility. Any contaminants contained in any intake water obtained from underground wells shall not be adjusted for as described above and, therefore, shall be considered as process input to the final effluent. Limitations in which "net" is not noted are calculated on the basis of gross measurements of each parameter in the discharge, irrespective of the quantity of those parameters in the intake waters.
- f. A "composite" sample, for monitoring requirements, is defined as a minimum of four grab samples collected at equally spaced two hour intervals and proportioned according to flow.
- g. An "instantaneous" measurement for monitoring requirements is defined as a single reading, measurement, or observation.
- h. A "pollutant" is any substance or substances which, if allowed to enter surface waters of the state, causes or threatens to cause pollution as defined in the Wyoming Environmental Quality Act, Section 35-11-103.
- i. "Total Flow" is the total volume of water discharged, measured on a continuous basis and reported as a total volume for each month during a reporting period. The accuracy of flow measurement must comply with Part III.A.1.

4. Test Procedures

Test procedures for the analysis of pollutants, collection of samples, sample containers, sample preservation, and holding times, shall conform to regulations published pursuant to 40 CFR, Part 136, unless other test procedures have been specified in this permit.

5. Recording of Results

For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall record the following information:

- a. The exact place, date and time of sampling;
- b. The dates and times the analyses were performed;
- c. The person(s) who performed the analyses and collected the samples;
- d. The analytical techniques or methods used; and
- e. The results of all required analyses including the bench sheets, instrument readouts, computer disks or tapes, etc., used to determine the results.

6. Additional Monitoring by Permittee

If the permittee monitors any pollutant at the location(s) designated herein more frequently than required by this permit, using approved analytical methods as specified above, the results of such monitoring shall be included in the calculation and reporting of the values required in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated.

7. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit, for a period of at least three years from the date of the sample, measurement, report or application. This period may be extended by request of the administrator at any time. Data collected on site, copies of Discharge Monitoring Reports and a copy of this WYPDES permit must be maintained on site during the duration of activity at the permitted location.

8. Penalties for Tampering

The Act provides that any person who falsifies, tampers with or knowingly renders inaccurate, any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than \$10,000 per violation, or by imprisonment for not more than two years per violation, or both.

9. Compliance Schedules

Reports of compliance or noncompliance with, or any progress reports on interim and final requirements contained in any Compliance Schedule of this permit shall be submitted no later than 14 days following each schedule date.

10. Facility Identification

All facilities discharging produced water shall be clearly identified with an all-weather sign posted at each outfall and flow monitoring locations (points of compliance). This sign shall, as a minimum, convey the following information:

- a. The name of the company, corporation, person(s) who holds the discharge permit, and the WYPDES permit number;

- b. The contact name and phone number of the person responsible for the records associated with the permit;
- c. The name of the facility (lease, well number, etc.) and the outfall number as identified by the discharge permit.

11. Identification and Establishment of Discharge Points

According to 40 CFR 122.21(k)(1), the permittee shall identify the expected location of each discharge point on the appropriate WYPDES permit application form. The location of the discharge point must be identified to within an accuracy of 15 seconds. This equates to a distance of 1,510 feet.

In order for the permit not to be subjected to additional public notice, the location of the established discharge point must be within 1,510 feet of the location of the discharge point originally identified on the permit application. In addition, the discharge must be within the same drainage and must discharge to the same landowner's property as identified on the original application form. If the three previously stated requirements are not satisfied, modification of the discharge point location(s) constitutes a major modification of the permit as defined in Part I.B.12. The permittee shall provide written notification of the establishment of each discharge point in accordance with Part I.A.2.a above.

12. Location of Discharge Points

As of the date of issuance, authorized water quality monitoring stations were as follows:  
SEE TABLE 1 FOR A LIST OF OUTFALLS AND ICP LOCATION

13. Location of water quality monitoring stations

As of the date of issuance, authorized water quality monitoring stations were as follows:  
SEE TABLE 1 FOR A LIST OF WATER QUALITY MONITORING STATIONS

**Table 1: WY0039721 - LS Draw - Spotted Horse Creek**

Discharge Point	Previous ID	Qtr/Qtr	S.	TWP (N)	RNG (W)	Lat.	Long.	Drainage Description	Groundwater approval required before discharge?
001	Unchanged	SESE	19	56	75	44.80881	105.92356	Discharges directly to an unnamed ephemeral tributary of Spotted Horse Creek	No
002	Unchanged	NESE	30	56	75	44.80050	105.92644	Discharges directly to an unnamed ephemeral tributary of Spotted Horse Creek	No
004	WY0039055 001	SWSW	28	56	75	44.79694	105.90247	Discharges directly to an unnamed ephemeral tributary of Spotted Horse Creek	No
ICP		SWSE	26	56	76	44.79820	105.96500	Irrigation Compliance Point located on Spotted Horse Creek	
TRIB1		SWNE	7	56	76	44.84583	106.05322	Tributary monitoring station on Spotted Horse Creek	
UPR		NWSW	7	56	76	44.83975	106.06089	Upstream Powder River monitoring station (above Spotted Horse Creek)	
DPR		SENW	31	57	76	44.87966	106.05926	Downstream Powder River monitoring station (below Spotted Horse Creek)	

All CBM wells at this facility are permitted to discharge to any of the above listed outfalls (001, 002, 004).

The outfalls listed in the above table may be moved from the established location without submittal of a permit modification application provided all of the following conditions are satisfied:

1. The new outfall location is within 2640 feet of the established outfall location.
2. The new outfall location is within the same drainage or immediate permitted receiving waterbody.
3. There is no change in the affected landowners.
4. Notification of the change in outfall location must be provided to the WYPDES Permits Section on a form provided by the WQD Administrator within 10 days of the outfall location change. The form must be provided in duplicate and legible maps showing the previous and new outfall location must be attached to the form.

Moving an outfall location without satisfying the four above listed conditions will be considered a violation of this permit and subject to full enforcement authority of the WDQ.

An outfall relocation as described above will not be allowed if the new outfall location is less than one mile from the confluence of a Class 2 waterbody and the dissolved iron limits established in the permit for the outfall are based upon Class 3 standards.

Requests for modification of the above list will be processed as follows. If the requested modification satisfies the definition of a minor permit modification as defined in 40 CFR 122.63, modifications will not be required to be advertised in a public notice. A minor modification constitutes a correction of a typographical error, increase in monitoring and/or reporting, revision to an interim compliance schedule date, change in ownership, revision of a construction schedule for a new source discharger, deletion of permitted outfalls, and/or the incorporation of an approved local pretreatment program.

A request for a minor modification must be initiated by the permittee by completing the form titled Wyoming Pollutant Discharge Elimination System Permit Modification Application For Coal Bed Methane. Incomplete application forms will be returned to the applicant.