

Wyoming Department of Environmental Quality
Water Quality Division
WYPDES Program

Statement of Basis
Major Modification

APPLICANT NAME: Patriot Production, LLC

MAILING ADDRESS: P.O. Box 2023
Gillette, WY 82717

FACILITY LOCATION: Pronghorn Creek A CBM facility located in the NWSW, SWSE of Section 4, the NENW, NENE of Section 9, Township 47 North, Range 73 West, in Campbell County. The produced water will be discharged to unnamed ephemeral tributaries (class 3B waters) to Caballo Creek (class 2ABWW) in the Belle Fourche River (class 2ABWW) watershed. The daily maximum permitted discharge flow rate for this facility is 1.76 MGD from the Wyodak coal seam. There are four outfalls in this permit.

NUMBER: WY0039756

The following Statement of Basis only includes information that has changed with this modification. For a complete Statement of Basis, please see previously issued modifications or renewals for this permit.

Upon approval of this major modification, the terms of permit WY039756 are hereby modified as follows:

- 1. Update "as built" locations for outfalls 003 and 004. Outfall 001 is updated using WDEQ GPS field data using NAD 83.*
- 2. Raise the Sodium Adsorption Ratio (SAR) effluent limit from 10 to 14.*
- 3. Remove manganese and sulfate from the routine monitoring requirements.*
- 4. Reduce sampling for alkalinity and bicarbonate from monthly to annually.*

With the exception of items explicitly delineated in the major modification, all terms and conditions of permit WY0039756, including Parts II and III of the original permit, shall remain unchanged and in full force and effect.

Irrigation Effluent Limits and Monitoring: 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 effluent limit of 14 and specific conductance effluent limit of 2,000 micromhos/cm are protective of agriculture uses within the downstream reaches of the Belle Fourche River drainage below this facility. The specific conductance limit of 2,000 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). The SAR limit of 14 was determined from site specific data for the Belle Fourche River drainage (CBM Associates, Inc., Evaluation of WDEQ Chapter 1 Section 20 Protections for the Belle Fourche River Watershed, April 29, 2005). Monitoring will be required for dissolved calcium, dissolved magnesium, dissolved sodium, sodium adsorption ratio and specific conductance monthly at the outfall(s) during the irrigation months of April, May, June, July, August and September. Monitoring for total alkalinity and bicarbonate will be required annually at the outfall(s).

Originally Drafted:
October, 25, 1999

Renewed:
Becky Peters
Water Quality Division
Department of Environmental Quality
May 13, 2005

Major Modification – March 30, 2007
Bob Alexander
Water Quality Division
Department of Environmental Quality

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,

Patriot Production, LLC

is authorized to discharge from the wastewater treatment facilities serving the

Pronghorn Creek A CBM facility

located in

the NWSW, SWSE of Section 4, the NENW, NENE of Section 9, Township 47 North, Range 73 West in Campbell County

to receiving waters named

unnamed ephemeral tributaries (class 3B waters) to Caballo Creek (class 2ABWW) in the Belle Fourche River (class 2ABWW) watershed

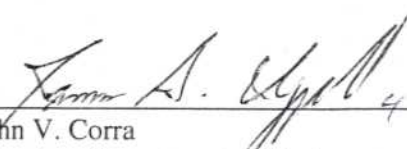
in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts I, II and III hereof.

The original permit became effective on December 1, 1999 and was renewed on September 1, 2005. This 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 the major modification, all terms and conditions of permit WY0039756, including Parts II and III of the original permit, shall remain unchanged and in full force and effect.

This renewed permit and the authorization to discharge shall expire at midnight, December 31, 2008.


John F. Wagner
Administrator - Water Quality

5/30/07
Date


John V. Corra
Director - Department of Environmental Quality

5/30/07
Date

PART I

A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

Effective immediately and lasting through December 31, 2008 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 outfall(s) serial number(s) 001, 002, 003, 004.

1. Such discharges shall be limited as specified below:

a. Effluent Limits for all Permitted Outfalls

Effluent Characteristic	Daily Maximum
Chlorides, mg/l	46
pH, su	6.5 – 9.0
Sodium Adsorption Ratio	14
Specific Conductance, micromhos/cm	2000
Total Arsenic, µg/l	2.3
Total Barium, µg/l	1800
Total Flow, MGD*	1.76

b. Distance Based Effluent Limits by Outfall

Outfall	Miles to Nearest Class 2 Stream	Total Radium ²²⁶⁺²²⁸ pCi/l	Dissolved Iron, µg/l
001	0.98	1	240
002	1.54	NA	1000
003	1.67	NA	1000
004	1.14	NA	1000

c. Limits and Requirements Applicable to all Outfalls

*This shall be the combined flow from outfall(s) 001, 002, 003, 004. The daily maximum permitted discharge flow rate for this facility is 1.76 million gallons per day (MGD). The effluent discharged at this facility will originate from the Wyodak coal seam.

The pH shall not be less than 6.5 standard units nor greater than 9.0 standard units in any single grab sample.

The permittee may, if so desired, discharge produced water from any authorized well to any permitted outfall, as long as all permit limits and requirements can be met.

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, stream beds, 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. Monitoring of the Initial Discharge

Within **60** days of commencement of discharge, a sample shall be collected from each outfall *that has not been previously sampled for initial monitoring* and analyzed for all the constituents specified below, at the required detection limits and chemical states. Within **120** days of commencement of discharge, a summary report on the produced water must be submitted to the Wyoming Department of Environmental Quality and the U.S. EPA Region 8 at the addresses listed below. This summary report must include the results and detection limits for each of the constituents listed below. In addition, the report must include written notification of the established location of the discharge point (refer to Part I.B.11). This notification must include a confirmation that the location of the established discharge point(s) is within 1,510 feet of the location of the identified discharge point(s), is within the same drainage, and discharges to the same landowner's property as identified on the original application form. The legal description and location in decimal degrees of the established discharge point(s) must also be provided. After receiving the monitoring results for the initial discharge, the effluent limits and monitoring requirements established in this permit may be modified.

Parameter**	Required Detection Limits & Units
Alkalinity, Total	1 mg/l as CaCO ₃
Aluminum, Dissolved	50 µg/l
Arsenic, Total	1 µg/l
Barium, Total	100 µg/l
Bicarbonate	10 mg/l
Cadmium, Dissolved	5 µg/l
Calcium, Dissolved	50 µg/l, report as mg/l
Chlorides	5 mg/l
Copper, Dissolved	10 µg/l
Dissolved Solids, Total	5 mg/l
Hardness, Total	10 mg/l as CaCO ₃
Iron, Dissolved	50 µg/l
Lead, Dissolved	2 µg/l
Magnesium, Dissolved	100 µg/l, report as mg/l
Manganese, Dissolved	50 µg/l
Mercury, Dissolved	1 µg/l
pH	to 0.1 standard units
Selenium, Total Recoverable	5 µg/l
Sodium Adsorption Ratio	Calculated as unadjusted ratio
Sodium, Dissolved	100 µg/l, report as mg/l
Specific Conductance	5 micromhos/cm
Sulfates	10 mg/l
Zinc, Dissolved	50 µg/l

b. Total Radium Initial Monitoring Requirements by Outfall (distance based constituent)

In addition to the constituents listed above, Total Radium²²⁶⁺²²⁸ and Total Radium²²⁶ must also be sampled and analyzed for initial monitoring as specified below:

Outfall	Miles to Nearest Class 2 Stream	Total Radium ²²⁶⁺²²⁸ pCi/l, required detection limit	Total Radium ²²⁶ pCi/l, required detection limit
001	0.98	0.2	NA
002	1.54	NA	0.2
003	1.67	NA	0.2
004	1.14	NA	0.2

**Dissolved is the value based on the dissolved amount, which is the amount that will pass through a 0.45 µm membrane filter prior to acidification to pH 1.5 - 2.0 with nitric acid. Total is the value expressed in terms of total recoverable metal in the water column.

Initial monitoring reports are to be sent to the following addresses:

Planning and Targeting Program, 8ENF-PT Office of Enforcement, Compliance, and Environmental Justice U.S. EPA Region 8 999 18th St., Suite 300 Denver, CO 80202-2466	AND	Wyoming Department of Environmental Quality Water Quality Division Herschler Building, 4 West 122 West 25th Street Cheyenne, WY 82002
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c. Routine Monitoring End of Pipe Outfall(s) 001, 002, 003, 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.

Parameter	Measurement Frequency	Sample Type
Bicarbonate, mg/l	Annually	Grab
Chloride, mg/l	Annually	Grab
Dissolved Calcium, mg/l	Monthly April through September	Grab
Dissolved Iron, µg/l	Annually	Grab
Dissolved Magnesium, mg/l	Monthly April through September	Grab
pH, su	Once Every Six Months	Grab
Dissolved Sodium, mg/l	Monthly April through September	Grab
Sodium Adsorption Ratio	Monthly April through September	Calculated
Specific Conductance, µmhos/cm	Monthly April through September	Grab
Total Alkalinity, mg/l	Annually	Grab
Total Arsenic, µg/l	Annually	Grab
Total Barium, µg/l	Annually	Grab
Total Flow - (MGD)	Monthly	Continuous

d. Total Radium Routine Monitoring End of Pipe by Outfall (distance based constituent)

In addition to the above list and for the duration of the permit, samples for the constituents described below shall be collected at the indicated frequencies.

Outfall	Miles to Nearest Class 2 Stream	Total Radium ²²⁶⁺²²⁸ pCi/l	Measurement Frequency	Sample Type
001	0.98	0.2	Annually	Grab
002	1.54	NA	NA	NA
003	1.67	NA	NA	NA
004	1.14	NA	NA	NA

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 at outfall(s) 001, 002, 003, 004.

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 initial monitoring, including the date the discharge began, shall be summarized on a Monitoring Report Form for Monitoring of Initial Discharge and submitted to the state water pollution control agency at the address below postmarked no later than 120 days after the commencement of discharge. 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. If required by this permit, 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, 2007.

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 permit issuance, authorized points of discharge were as follows:

Table 1: WY0039756 – Pronghorn Creek A

Out-fall	Qtr/Qtr	SEC-TION	TWP (N)	RNG (W)	LATITUDE	LONGITUDE	Drainage / Description
001*	NWSW	4	47	73	44.077884	-105.646899	Discharges to an unnamed ephemeral tributary to Caballo Creek, tributary to the Belle Fourche River
002	NENW	9	47	73	44.069629	-105.642873	Discharges to an unnamed ephemeral tributary to Caballo Creek, tributary to the Belle Fourche River
003	NENE	9	47	73	44.071894	-105.630622	Discharges to an unnamed ephemeral tributary to Caballo Creek, tributary to the Belle Fourche River
004	SWSE	4	47	73	44.074570	-105.636783	Discharges to an unnamed ephemeral tributary to Caballo Creek, tributary to the Belle Fourche River

***This outfall locations have been verified by WDEQ GPS field data using NAD 83.**

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 National Pollutant Discharge Elimination System Permit Modification Application For Coal Bed Methane. Incomplete application forms will be returned to the applicant.

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 WQD.

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 water body and the dissolved iron limits established in the permit for the outfall are based upon Class 3 standards.