

Wyoming Department of Environmental Quality
Water Quality Division
NPDES Program

STATEMENT OF BASIS
NEW

APPLICANT NAME: Pennaco Energy, Inc.

MAILING ADDRESS: 3601 Southern Drive
Gillette, WY 82718

FACILITY LOCATION: AC Ranch Central, Option 2, which is located in the NWSE, Section 21, SESE, Section 33, the SWSE, Section 34, Township 56 North, Range 83 West, and in the SWNE, Section 3, Township 55 North, Range 83 West, Sheridan County. The produced water will be discharged to various named, on-channel reservoirs (3B) located on various unnamed tributaries (3B) of Wildcat Creek (3B). Wildcat Creek is tributary to the Tongue River (2AB), via Prairie Dog Creek (2AB). The permit establishes two irrigation compliance points, located in the NENE, Section 33, Township 56 North, Range 83 West (ICP1), and in the NENW, Section 21, Township 56 North, Range 83 West (ICP2), on Wildcat Creek, prior to the first downstream irrigation diversions. The permit also establishes a total maximum daily flow limit of 3.8 MGD, and requires that the produced water being discharged from this facility originate in one of the following formations: the Dietz1, Dietz3, Monarch, and/or the Carney coal seams.

NUMBER: WY0052141

This permit has been modified from the version that appeared in public notice to include Part I.C, which establishes requirements related to groundwater monitoring of the reservoirs proposed for containment of CBM produced water.

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 judgement 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 to enhance 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. The permittee has submitted documentation verifying that there is irrigation occurring downstream of this facility on the class 3 streams (Wildcat Creek) prior to Prairie Dog Creek, the closest class 2 water. In order to monitor and protect irrigation water quality, this permit establishes two irrigation compliance points. The irrigation compliance points are designated monitoring locations prior to the first downstream point of irrigation diversion/use in Wildcat 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 judgement. These limits satisfy 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 agricultural and/or wildlife use and is unlikely to reach the Tongue River except during storm events. During storm events, the effluent will be diluted by the stormwater runoff. The permittee has collected stormwater flow and quality data during the year prior to submittal of their permit application to the WDEQ from the streams in this area. The information collected included water quality and flow data from the ephemeral streams proposed for discharge, collection of evaporation/infiltration data in the streams and on-channel reservoirs proposed for discharge, and anecdotal information from long-time residents of the area. This information, along with established information available from the USGS, was utilized in the mixing analyses and water budgets performed by the permittee.

The results of these analyses indicate minimal to no impacts to Wildcat Creek, Prairie Dog Creek, and/or Tongue River water quality should the reservoirs overtop and spill in response to a storm event. The data submitted in support of the permit application indicates that although these discharges will result in increases in SAR (from SARs (ranging from 1 to 2.3 to SARs ranging from 2.3 to 5) and EC (from ECs ranging from 1035 to 2078 $\mu\text{mhos/cm}$ to ECs ranging from 1324 to 2099 $\mu\text{mhos/cm}$) to Prairie Dog Creek, these increases will be infrequent (lowest reoccurrence interval is 1.08 years) and temporary (approximately 3 hours in duration), due to the sporadic and short term nature of storm events in the project area. Although the discharges may potentially temporarily cause increases in Prairie Dog Creek and Tongue River SAR and specific conductance concentrations, the resultant water quality is suitable for irrigation. Especially considering the temporary and sporadic nature of the potential increases in SAR and EC, the potential for decreases in crop production as a result of the proposed discharge is considered to be very minimal, as decreases in crop production due to sodicity and salinity are the result of long-term, consistent application of saline and/or sodic irrigation water.

The analyses also demonstrate that, based on monthly average SAR and EC calculated utilizing USGS data recorded from the Tongue River station near Decker, Montana, discharges from the reservoirs being utilized to contain CBM produced water will result in at most, a 10 micromoh/cm increase in EC, and a 0.04 increase in SAR in Tongue River water quality for no longer than 28 hours at any one time. Average increases in SAR and EC modeled utilizing stormwater runoff flows and quality for various sizes of storm events are described in the table below:

All values reported as difference between recorded average ambient and estimated water quality upon								
2YR/24HR EVENT			5YR/24HR EVENT			10YR/24HR EVENT		
	EC	SAR		EC	SAR		EC	SAR
January	6	0.02	January	8	0.03	January	8	0.04
February	8	0.02	February	10	0.04	February	10	0.04
March	5	0.01	March	6	0.03	March	7	0.03
April	5	0.01	April	6	0.02	April	7	0.02
May	4	0.01	May	6	0.02	May	7	0.02
June	2	0.01	June	4	0.01	June	5	0.01
July	4	0.01	July	7	0.02	July	7	0.02
August	6	0.02	August	7	0.03	August	7	0.03
September	4	0.01	September	6	0.02	September	7	0.02
October	5	0.02	October	7	0.03	October	7	0.03
November	6	0.02	November	9	0.03	November	9	0.03
December	7	0.02	December	8	0.03	December	9	0.03
Average difference	5.27	0.015	Average difference	7.07	0.03	Average difference	7.42	0.03

However, in order to provide a measure of safety, the permittee has proposed an extensive network of monitoring locations on Wildcat Creek, Prairie Dog Creek, and the Tongue River. These stations will serve to monitor any impacts that this facility may have on water quality in Prairie Dog Creek, Wildcat Creek, and the Tongue River. Monitoring data collected at these stations during the life of the permit may result in the permit being reopened and new limits being established.

The permittee has submitted certified statements that demonstrate discharged effluent will be put to use for livestock and wildlife watering. Although some of the discharge will be used by wildlife and livestock, a portion of the flow may also be lost due to stream channel infiltration. 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 Tongue River at 0.1 cfs per mile of stream channel. Review of the permit application reveals that there are approximately 10.5 miles of stream channel that can be utilized for stream channel infiltration and evaporation losses between the outfalls and the Prairie Dog Creek. The maximum total effluent flow rate from this facility is estimated at 1.67 cfs. The permittee has committed that effluent shall not reach the Prairie Dog Creek except during storm events, and has provided data demonstrating their ability to contain all the CBM effluent in a series of on-channel reservoirs. However, in the event that discharge does reach Prairie Dog Creek or the Tongue River, this permit establishes a series of monitoring stations on Wildcat Creek, Prairie Dog Creek, and the Tongue River. These stations will function to monitor any effluent flows to Prairie Dog Creek or the Tongue River.

Permit effluent limits are based on federal and state regulations and are effective as of the date of issuance. The permit limits total petroleum hydrocarbons to 10 mg/l and 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 discharge from any permitted outfall. In addition, the permit establishes a radium 226 limit of 1 pCi/l, a dissolved manganese limit of 50 µg/l, a total barium limit of 1800 µg/l, a total arsenic limit of 1.4 µg/l, and a chlorides limit of 46 mg/l. In addition, representative water quality data submitted by the permittee indicates that this facility has the potential to exceed the established dissolved zinc limit for discharges in this drainage. Therefore, the permit establishes a dissolved zinc limit of 33 µg/l, this limit applies to discharge from any permitted outfall. These limits are based on chronic aquatic life standards for class 2AB waters which are intended to protect for the above listed designated uses and reflect the application of the antidegradation provisions required under

Chapter 1 of the Wyoming Water Quality Rules and Regulations. 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. Mixing analyses and water budgets for this facility's discharge were based upon a maximum daily flow of 3.8 million gallons per day (MGD), and water quality representative of water quality from the Dietz1, Dietz3, Monarch, and Carney coal seams in the surrounding geographical area, therefore, the permit establishes a maximum daily flow limit of 3.8 MGD, to be calculated as the sum of all discharge from all permitted outfalls, and requires that the produced water being discharged by this facility originate in one or more of the following formations: the Dietz1, Dietz3, Monarch, and/or Carney coal seams.

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 are intended to be protective of agriculture use in the Wildcat 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). There was no data available to characterize EC tolerance of alfalfa specific to the Wildcat Creek drainage. The SAR limit of 6 was determined to not reduce the rate of infiltration of irrigated soils in the Wildcat 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. 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 Prairie Dog Creek drainage (see Figure 25, of Diagnosis and Improvement of Saline and Alkali Soils, US Dept. of Agricultural Handbook No. 60, 1954). Monitoring will be required for flow volume, calcium, magnesium, sodium, bicarbonate, sodium adsorption ratio and specific conductance when flow is present at the irrigation compliance point(s) at any time during the year. The irrigation compliance points are located in the NENE, Section 33, Township 56 North, Range 83 West (ICP1), and in the NENW, Section 21, Township 56 North, Range 83 West (ICP2), on Wildcat Creek, prior to the first downstream irrigation diversions.

Results are to be reported twice-yearly and if no discharge occurs at the outfall then "no discharge" is to be reported. The permit also requires that an initial monitoring of the effluent be conducted within the first 60 days of discharge and the results submitted to WDEQ and the U.S. Environmental Protection Agency within 120 days of the commencement of discharge.

The permit requires sampling at designated tributary water quality monitoring stations located on the class 3B receiving water – Wildcat Creek, and on the class 2AB mainstems – Prairie Dog Creek and the Tongue River. The tributary water quality monitoring station on Wildcat Creek will be located in the main channel of the creek, prior to the Wildcat Creek – Prairie Dog Creek confluence. The Prairie Dog Creek water quality monitoring stations will be located upstream and downstream of the Wildcat Creek – Prairie Dog Creek confluence, in the main channel of Prairie Dog Creek, outside of the mixing zone of Wildcat Creek and Prairie Dog Creek. The Tongue River water quality monitoring stations will be located upstream and downstream of the Prairie Dog Creek – Tongue River confluence, in the main channel of the Tongue River, outside of the mixing zone of Prairie Dog Creek and the Tongue River. Effluent samples at the designated water quality monitoring stations must be collected on a monthly basis and are to be reported semiannually. Samples taken in compliance with the monitoring requirements specified above shall be taken at the following locations: designated water quality monitoring stations identified as TRIB1, UPDC, DPDC, UTR, and DTR in Table 1 (located at the end of Part I) of the permit below. Established water quality monitoring stations on the mainstem are to be located outside the mixing zone with the tributary and the mainstem. Monthly water quality samples are to be collected at all four water quality monitoring stations when effluent

from this CBM facility contributes to flow at the tributary monitoring station located on Wildcat Creek. If flow occurs at the TRIB1 station during a given monthly monitoring period, but this CBM facility did not contribute to that flow, the permittee will report "did not contribute" in the discharge monitoring reports for that monthly monitoring period. Under such circumstances, sampling is not required at the four water quality monitoring stations, and it will be the responsibility of the permittee to demonstrate that the effluent from this facility did not contribute to the flow occurring at the TRIB1 station. If no flow at all occurs at the TRIB1 station for an entire monthly monitoring period, then "no flow" is to be reported and samples need not be collected at the four water quality monitoring stations for that monthly monitoring period.

At the designated water quality monitoring stations, monitoring will be required for calcium, magnesium, sodium, sodium absorption 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 Wildcat Creek in the NENW, Section 9, Township 56 North, Range 83 West, prior to the confluence of Prairie Dog Creek, on Prairie Dog Creek in the SWSE, Section 18, Township 56 North, Range 83 West, and in the NESW, Section 4, Township 56 North, Range 83 West, upstream and downstream (respectively) of the Wildcat Creek – Prairie Dog Creek confluence, and on the Tongue River in the SESW and SENE, Section 23, Township 58 North, Range 83 West, upstream and downstream (respectively) of the Prairie Dog Creek – Tongue River confluence. Water quality monitoring stations located on class 2 drainages are to be located in the main channels of the applicable drainage, and 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.

Reservoir and/or discharge water is to be released at a rate which does not cause significant erosion to the channel or receiving lands. The permittee has committed to containment of all CBM effluent within a series of on-channel reservoirs. The permittee is required to contain all effluent within the reservoirs, and may not discharge except during periods of time in which stormwater runoff enters the reservoir, causing it to overtop and spill. Should the reservoirs discharge, the permittee will be required to substantiate that the discharge was due to the influx of stormwater runoff.

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 April 30, 2009. This expiration date is the same for other previously-permitted facilities in the Prairie Dog Creek watershed utilizing the same water management strategy as this facility. Having all permits in the drainage expire at the same time will allow for basin-wide analysis of impacts due to these discharges upon renewal of these permits, and will allow the WDEQ to adopt a more holistic, watershed-based permitting approach.

Kathy Shreve

Water Quality Division
Department of Environmental Quality
Drafted: August 25, 2004

AUTHORIZATION TO DISCHARGE UNDER THE
NATIONAL 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

AC Ranch Central, Option 2,

which is located in the

NWSE, Section 21, SESE, Section 33, the SWSE, Section 34, Township 56 North, Range 83 West, and in the SWNE, Section 3, Township 55 North, Range 83 West, Sheridan County,

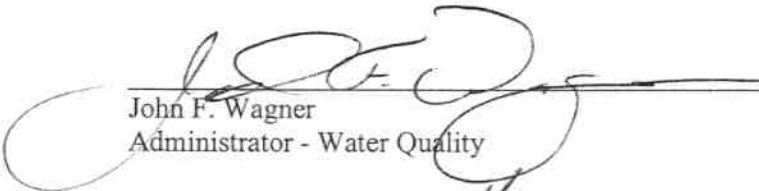
to receiving waters named

various named, on-channel reservoirs (3B) located on various unnamed tributaries (3B) of Wildcat Creek (3B). Wildcat Creek is tributary to the Tongue River (2AB), via Prairie Dog Creek (2AB).

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

This permit shall become effective on the date of signature by the Director of the Department of Environmental Quality.

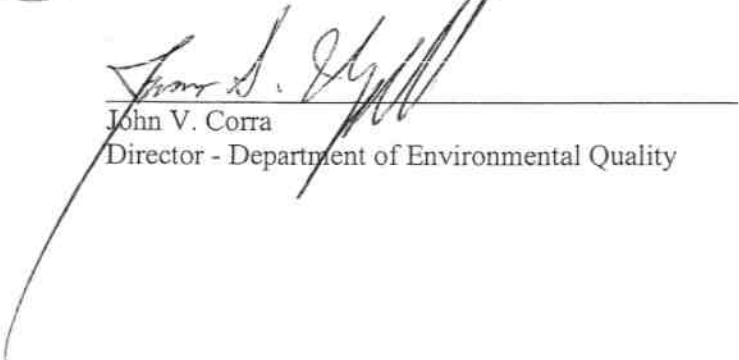
This permit and the authorization to discharge shall expire **April 30, 2009**, at midnight .



John F. Wagner
Administrator - Water Quality

Date

9/6/05



John V. Corra
Director - Department of Environmental Quality

Date

9/6/05

PART IA. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

Effective immediately and lasting through April 30, 2009, 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(s) serial numbers 001 – 004.

1. Such discharges shall be limited as specified below:

<u>Effluent Characteristic</u>	<u>Effluent Limits</u>	
	<u>Daily Maximum Outfall</u>	<u>Daily Maximum Irrigation Compliance Point***</u>
Chlorides, mg/l	46	
Dissolved Iron, µg/l	1000	
Dissolved Manganese, µg/l	50	
pH, standard units	6.5 - 8.5	
Specific Conductance, micromhos/cm	7500	2000
Sulfates, mg/l	3000	
Total Arsenic, µg/l	1.4	
Total Barium, µg/l	1800	
Total Dissolved Solids, mg/l	5000	
Total Petroleum Hydrocarbons (TPH), mg/l*	10	
Total Radium 226, pCi/l	1	
Total Flow, MGD**	3.8	
Dissolved Zinc, µg/l	33	
Sodium Adsorption Ratio, calculated as unadjusted ratio		6

*Acceptable methods for this parameter are 1664 in the latest edition of Standard Methods for the Examination of Water and Wastewater and EPA SW846 Method 8015 (modified) for Total Extractable Petroleum Hydrocarbons.

**Total flow is to be calculated as the sum of all discharge from all permitted outfalls. The permit requires that the produced water being discharged by this facility originate on or more of the following formations: the Dietz1, Dietz3, Monarch, and/or Carney coal seams.

***Limits at the irrigation compliance point are in effect whenever produced water from this facility contributes to flow at the irrigation compliance point.

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

The permittee may, if so desired, discharge effluent from any authorized well to any permitted outfall, as long as all permit limits and requirements can be met. This facility, as originally permitted, contained 4 outfalls and 101 wells. The wells authorized for discharge at this facility are also authorized for discharge at two additional CBM facilities authorized for discharge under

NPDES permits WY0052132 and WY0052043. Linkage of the permittee's wells to additional permitted CBM facilities allows the permittee maximum water management flexibility.

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.

The representative water quality analyses indicate that this facility's discharge has the potential to exceed the established permit limits for dissolved iron. However, the permittee has submitted information indicating that the installation of enhanced oxidation channels and stilling basins for dissolved iron can eliminate this problem by increasing the precipitation of iron out of the discharge. Therefore, the permittee will be required to, and has committed to, the installation of enhanced oxidation channels and stilling basins prior to the discharge reaching a water of the state. Enhanced oxidation facilities must be installed and operational prior to commencement of discharge from this facility.

Reservoir and/or discharge water is to be released at a rate which does not cause significant erosion to the channel or receiving lands. The permittee has committed to containment of all CBM effluent within a series of on-channel reservoirs. The permittee is required to contain all effluent within the reservoirs, and may not discharge except during periods of time in which stormwater runoff enters the reservoir, causing it to overtop and spill. Should the reservoirs discharge, the permittee will be required to substantiate that the discharge was due to the influx of stormwater runoff.

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 and analyzed for the 24 constituents specified below, at the required detection limits. 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 24 constituents. 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.

<u>Parameter*</u> (See notes following the table on chemical states)	<u>Required Detection Limits and Required Units</u>
Alkalinity, Total	1 mg/l as CaCO ₃
Aluminum, Total Recoverable	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 me/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 me/l
Magnesium, Dissolved	100 µg/l, report as mg/l
Manganese, Dissolved	50 µg/l
Mercury, Dissolved	1 µg/l
pH	to 0.1 pH unit
Radium 226, Total	0.2 pCi/l
Selenium, Total Recoverable	5 µg/l
Sodium Adsorption Ratio	Calculated as unadjusted ratio
Sodium, Dissolved	100 µg/l, report as me/l
Sodium, Dissolved	100 µg/l, report as mg/l
Specific Conductance	5 micromhos/cm
Sulfates	10 mg/l
Zinc, Dissolved	50 µg/l

TOTAL: Value is expressed in terms of total recoverable metal in the water column.

NOTE: Except for aquatic life values for metals and where otherwise indicated, the values given refer to the total recoverable (dissolved plus suspended) amount for each substance. For the aquatic life values for metals, the values refer to the dissolved amount.

DISSOLVED: Volume is 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.

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

b. Routine monitoring End of Pipe – 001-004

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 (mg/l)	Monthly	Grab
Dissolved Calcium (mg/l)	Monthly	Grab
Dissolved Calcium (me/l)	Monthly	Grab
Chloride (mg/l)	Annually	Grab
Dissolved Iron ($\mu\text{g/l}$)	Annually	Grab
Dissolved Manganese ($\mu\text{g/l}$)	Annually	Grab
Dissolved Magnesium (mg/l)	Monthly	Grab
Dissolved Magnesium (me/l)	Monthly	Grab
pH (s. u.)	Once Every Six Months	Grab
Total Radium 226 (pCi/l)	Annually	Grab
Dissolved Sodium (mg/l)	Monthly	Grab
Dissolved Sodium (me/l)	Monthly	Grab
Sodium Adsorption Ratio (unadusted ratio)	Monthly	Calculated
Specific Conductance (micromohs/cm)	Monthly	Grab
Sulfate (mg/l)	Annually	Grab

<u>Parameter</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
Total Alkalinity (mg/l as CaCO ₃)	Monthly	Grab
Total Arsenic (µg/l)	Annually	Grab
Total Barium (µg/l)	Annually	Grab
Total Flow - (MGD)	Monthly	Continuous
Total Petroleum Hydrocarbons* (mg/l)	Annually	Grab
Dissolved Zinc (µg/l)	Annually	Grab

*Acceptable methods for this parameter are 1664 in the latest edition of Standard Methods for the Examination of Water and Wastewater and EPA SW846 Method 8015 (modified) for Total Extractable Petroleum Hydrocarbons.

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.

c. Irrigation Compliance Points – ICP1 and ICP2

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 any permitted outfall reaches any irrigation compliance points. Irrigation compliance point limits and requirements are in effect year-round due to the large amount of irrigation taking place on Prairie Dog Creek, and the potential for this discharge to impact irrigation water quality.

<u>Parameter</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
Bicarbonate (mg/l)	Monthly	Grab
Dissolved Calcium (mg/l)	Monthly	Grab
Dissolved Calcium (me/l)	Monthly	Grab
Dissolved Magnesium (mg/l)	Monthly	Grab
Dissolved Magnesium (me/l)	Monthly	Grab
Dissolved Sodium (mg/l)	Monthly	Grab
Dissolved Sodium (me/l)	Monthly	Grab
Sodium Adsorption Ratio (calculated as unadjusted ratio)	Monthly	Calculated
Specific Conductance (micromohs/cm)	Monthly	Grab

<u>Parameter</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
Total Flow - (MGD)	Monthly	Instantaneous

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following locations: at the irrigation compliance points which are located as follows: in the NENE, Section 33, Township 56 North, Range 83 West (ICP1), and in the NENW, Section 21, Township 56 North, Range 83 West (ICP2), on Wildcat Creek prior to the first downstream irrigation diversions on Wildcat Creek.

The permit requires daily monitoring of the irrigation compliance points described above to determine whether water discharged from the outfalls reaches an established irrigation compliance point. Daily monitoring is necessary because the permit establishes different sampling and analysis requirements based on whether the effluent reaches an irrigation compliance point. Once flow at an irrigation compliance point has been documented within a sampling month, then weekly monitoring of flow is required for the month. At the beginning of each calendar month, the frequency will revert to daily. Should the permittee be able to substantively document that this facility did not contribute to flows at the ICP at any time during the monitoring period in question, the permittee may report "did not contribute" on the discharge monitoring reports for the monitoring period in question, and is not required to collect samples at the irrigation compliance point for the monitoring period in question. In such cases, the permittee is required to submit copies of the documentation verifying non-contribution in conjunction with the discharge monitoring reports for the monitoring period in question. Effluent samples must be collected on a weekly basis if flow persists at the irrigation compliance point for 24 hours or more. Results are to be reported twice-yearly and if no discharge occurs then "no discharge" is to be reported.

d. Water Quality Monitoring Stations – TRIB1, UPDC, DPDC, UTR, and DTR

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>
Bicarbonate (mg/l)	Monthly	Grab
Dissolved Calcium (mg/l)	Monthly	Grab
Dissolved Calcium (me/l)	Monthly	Grab
Dissolved Magnesium (mg/l)	Monthly	Grab
Dissolved Magnesium (me/l)	Monthly	Grab
Dissolved Sodium (mg/l)	Monthly	Grab
Dissolved Sodium (me/l)	Monthly	Grab

<u>Parameter</u>	<u>Measurement Frequency</u>	<u>Sample Type</u>
Sodium Adsorption Ratio (calculated as unadjusted ratio)	Monthly	Calculated
Specific Conductance (micromohs/cm)	Monthly	Grab

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 the class 3B receiving stream— Wildcat Creek (TRIB1), and designated water quality monitoring stations located on the class 2AB mainstems - Prairie Dog Creek and the Tongue River. The Prairie Dog Creek water quality monitoring stations will be located upstream and downstream of the Wildcat Creek – Prairie Dog Creek confluence (UPDC and DPDC), in the main channel of Prairie Dog Creek, outside of the mixing zone of Wildcat Creek and Prairie Dog Creek. The Tongue River water quality monitoring stations will be located upstream and downstream of the Prairie Dog Creek – Tongue River confluence (UTR and DTR), in the main channel of the Tongue River, outside of the mixing zone of Prairie Dog Creek and the Tongue River. Effluent samples at the designated water quality monitoring stations must be collected on a monthly basis and are to be reported semiannually. Samples taken in compliance with the monitoring requirements specified above shall be taken at the following locations: designated water quality monitoring stations identified as TRIB1, UPDC, DPDC, UTR, and DTR in Table 1 (located at the end of Part I) of the permit below. Established water quality monitoring stations on the mainstem are to be located outside the mixing zone with the tributary and the mainstem. Monthly water quality samples are to be collected at all four water quality monitoring stations when effluent from this CBM facility reaches the TRIB1 station on Wildcat Creek. If flow occurs at the ICP1 station during a given monthly monitoring period, but this CBM facility did not contribute to that flow, the permittee will report “did not contribute” in the discharge monitoring reports for that monthly monitoring period. Under such circumstances, sampling is not required at the four water quality monitoring stations, and it will be the responsibility of the permittee to demonstrate that the effluent from this facility did not contribute to the flow occurring at the TRIB1 station. If no flow at all occurs at the TRIB1 station for an entire monthly monitoring period, then “no flow” is to be reported and samples need not be collected at the three water quality monitoring stations for that monthly monitoring period.

At the designated water quality monitoring stations, monitoring will be required for calcium, magnesium, sodium, sodium absorption ratio and specific conductance. Results are to be reported semiannually. 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 Wildcat Creek in the NENW, Section 9, Township 56 North, Range 83 West, on Prairie Dog Creek in the SWSE, Section 18, Township 56 North, Range 83 West, upstream and downstream (respectively) of the Wildcat Creek – Prairie Dog Creek confluence, and on the Tongue River in the SESW and SENE, Section 23, Township 58 North, Range 83 West, upstream and downstream (respectively) of the Prairie Dog Creek – Tongue River confluence. Water quality monitoring stations located on class 2 drainages are to be located in the main channels of the applicable drainage, and are to be located outside the mixing zone of the tributary with the mainstem.

B. MONITORING AND REPORTING1. 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, irrigation compliance point, 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 February 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;

