

Wyoming Department of Environmental Quality
Water Quality Division
WYPDES Program

Statement of Basis
Major Modification

APPLICANT NAME: Merit Energy Company

MAILING ADDRESS: 13727 Noel Road
Dallas, TX 75240

FACILITY LOCATION: North Buck Draw CBM facility located in the NESW, NWNE of Section 25, and the SWSW of Section 36, Township 42 North, Range 74 West in Campbell County. The produced water will be discharged to North Bates Creek (class 3B water), an unnamed, ephemeral tributary to North Bates Creek (class 3B), and Bates Creek (class 2ABWW water). North Bates Creek is tributary to Bates Creek which is tributary to Antelope Creek (class 3B water) in the Cheyenne River (class 2ABWW) watershed. The daily maximum permitted discharge flow rate for this facility is 0.23 MGD from the Big George coal seam. There are 3 outfalls in this permit.

NUMBER: WY0054496

Upon approval of this major modification, the terms and conditions of permit WY0054496 are hereby modified as follows:

- 1. Two outfalls (002-003) are added to this permit.*
- 2. Effluent limits and monitoring requirements for sulfates and manganese are removed from this permit.*

With the exception of items explicitly delineated in this major modification, all terms and conditions of permit WY0054496, including Parts II and III of the original permit, shall remain unchanged and in full force and effect.

EPA Guidelines: 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. 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.

DEQ Option and Designated Uses: 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 class 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 *Wyoming Water Quality Rules and Regulations, Chapter 1*. This may include drinking water, game and non-game fish, fish consumption, aquatic life other than fish, recreation, agriculture, wildlife, industry and scenic value.

Effluent Limits: Permit effluent limits are based on federal and state regulations and are effective as of the date of issuance. The daily maximum discharge flow rate for this facility is 0.23 MGD and must be monitored monthly. The pH must remain within 6.5 and 9.0 standard units. An effluent limit for total dissolved solids (5,000 mg/l) is included to protect for stock and wildlife watering. These limits are based upon *Wyoming Water Quality Rules and Regulations, Chapter 2* and apply to discharge from any permitted outfall. The permit also establishes 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 1*. In addition, the permit establishes a total barium limit of 1800 µg/l and a total arsenic limit of 2.4 µg/l, both of which are based on Water Quality Criteria as established in *the Wyoming Water Quality Rules and Regulations, Chapter 1*, 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 1*. Additionally, 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 *Wyoming Water Quality Rules and Regulations, Chapter 1*. For outfalls less than one mile from the confluence of a class 2 water, this permit establishes a dissolved iron limit of 240 µg/l. This limit is based on Water Quality Criteria as established in *the Wyoming Water Quality Rules and Regulations, Chapter 1*, for Human Health values. This permit also establishes a limit of 1 pCi/l for radium²²⁶ and radium²²⁸ combined for outfalls less than one mile from the confluence with a class 2 water. This limit reflects current WYPDES permitting practice in regards to establishing total radium 226 effluent limits in CBM surface discharge permits. 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.

This permit originally established a sulfate limit of 3000 mg/l and a dissolved manganese limit of 910 µg/l at the end of pipe. Review of discharge monitoring report data for this facility and other CBM facilities in Northeast Wyoming indicates that the maximum reported concentrations for dissolved manganese and sulfate in the discharge were well below the water quality standards of 3000 mg/l for sulfates established in *Chapter 1 of the Wyoming Water Quality Rules and Regulations*, and well below the originally established effluent limit of 910 µg/l for dissolved manganese. Therefore, WDEQ has removed the effluent limits and monitoring requirements dissolved manganese and sulfate in this permit. Based on evaluation of the available data, it is WDEQ's determination that removing the sulfate and dissolved manganese limits from this permit conforms to the anti-backsliding requirements established in *Section 402(o).2.B.i of the Clean Water Act*.

The monitoring schedule for dissolved iron at outfall 002 in this permit is being increased (to quarterly) from that normally established in CBM permits (annual) because information submitted during the permit process indicates that there is the possibility that discharges from outfall 002 at this facility could exceed the dissolved iron limit. Once the permittee has documented 4 consecutive monitoring periods without dissolved iron violations at outfall 002, the permittee may reduce monitoring for dissolved iron from quarterly to yearly. The permittee must obtain approval from the WDEQ prior to reducing monitoring and reporting for dissolved iron for outfall 002 at this facility. The permittee has committed to constructing outfall 002 so as to maximize aeration of the effluent and precipitation of the iron prior to the effluent reaching Bates Creek.

Reporting and Initial Monitoring: Results are to be reported twice-yearly and if no discharge occurs 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.

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 of 10 and specific conductance of 2,000 micromhos/cm is intended to be protective of agriculture use in the Belle Fourche River and Cheyenne River drainages. 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 10 was determined to not reduce the rate of infiltration relative to ambient water quality in the Belle Fourche and Cheyenne Rivers, given the specific conductance threshold referenced above as ascertained from Figure 3 (page 44) of Agricultural Salinity and Drainage, Hanson et al., 1999 revision. Additionally, a SAR limit of 10 and specific conductance limit of 2,000 micromhos/cm will maintain the baseline C3-S2 irrigation suitability category for these drainages (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 total alkalinity, dissolved calcium, dissolved magnesium, dissolved sodium, bicarbonate, sodium adsorption ratio and specific conductance monthly at the outfall(s) during the irrigation months of April, May, June, July, August and September.

Erosion Control and Other Standards: 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.

Antidegradation: 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 and Expiration Date: 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 June 30, 2009. 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.

Becky Peters
Water Quality Division
Department of Environmental Quality
March 1, 2006

Jennifer Zygmunt—Major Modification
Water Quality Division
Department of Environmental Quality
August 2, 2006

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,

Merit Energy Company

is authorized to discharge from the wastewater treatment facilities serving the

North Buck Draw CBM facility

located in

the NESW, NWNE of Section 25, and the SWSW of Section 36, Township 42 North, Range 74 West in Campbell County


to receiving waters named

North Bates Creek (class 3B water), an unnamed, ephemeral tributary to North Bates Creek (class 3B), and Bates Creek (class 2ABWW water). North Bates Creek is tributary to Bates Creek which is tributary to Antelope Creek (class 3B water) in the Cheyenne River (class 2ABWW) watershed

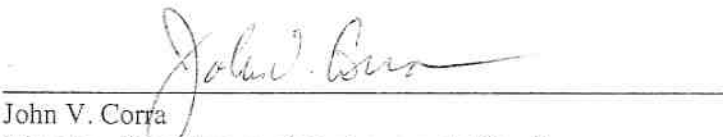
in accordance with effluent limitations, monitoring requirements and other conditions set forth in Parts I, II and III hereof.

The permit modification shall become effective on the date that it is signed by the Director of the Department of Environmental Quality below. **With the exception of items explicitly delineated in this major modification, all terms and conditions of permit WY0054496, including Parts II and III of the original permit, shall remain unchanged and in full force and effect.**

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


John F. Wagner
Administrator - Water Quality

10/27/06
Date


John V. Corra
Director - Department of Environmental Quality

10/29/06
Date

PART I

A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

Effective immediately and lasting through June 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 outfall(s) serial number(s) 001-003.

1. a. Such discharges shall be limited as specified below for **outfall 002**. This outfall is located less than one mile from the nearest class 2 water:

Effluent Limits

Effluent Characteristic	Daily Maximum
Chlorides, mg/l	46
Dissolved Iron, µg/l	240
pH, su	6.5 – 9.0
Sodium Adsorption Ratio	10
Specific Conductance, micromhos/cm	2000
Total Recoverable Arsenic, µg/l	2.4
Total Recoverable Barium, µg/l	1800
Total Dissolved Solids, mg/l	5000
Total Flow, MGD*	0.23
Total Radium ²²⁶ + Radium ²²⁸ , pCi/l	1

*This shall be the combined flow from outfall(s) 001-003. The daily maximum permitted discharge flow rate for this facility is 0.23 million gallons per day (MGD). The effluent discharged at this facility will originate from the Big George coal seam.

- b. Such discharges shall be limited as specified below for **outfalls 001, 003**. These outfalls are located more than one mile from the nearest class 2 water:

Effluent Limits

Effluent Characteristic	Daily Maximum
Chlorides, mg/l	46
Dissolved Iron, µg/l	1000
pH, su	6.5 – 9.0
Sodium Adsorption Ratio	10
Specific Conductance, micromhos/cm	2000
Total Recoverable Arsenic, µg/l	2.4
Total Recoverable Barium, µg/l	1800
Total Dissolved Solids, mg/l	5000
Total Flow, MGD*	0.23

*This shall be the combined flow from outfall(s) 001-003. The daily maximum permitted discharge flow rate for this facility is 0.23 million gallons per day (MGD). The effluent discharged at this facility will originate from the Big George coal seam.

c. Requirements applicable to all permitted outfalls (001-003)

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:

If outfalls have already been sampled and analyzed for initial monitoring constituents, the permittee is not required to re-sample and re-analyze the outfalls if results have been obtained for all the constituents listed below and reported to the WDEQ.

a. Monitoring of the Initial Discharge

Within **60** days of commencement of discharge, a sample shall be collected from each outfall and analyzed for all of 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, Total Recoverable	50 µg/l
Arsenic, Total Recoverable	1 µg/l
Barium, Total Recoverable	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
Fluoride, Dissolved	0.1 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 standard units
Radium 226, Total	0.2 pCi/l
Radium 228, 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

*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 for radium 228 only required for outfalls less than one mile from the nearest class 2 water (002).

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

AND

Wyoming Department of Environmental Quality
Water Quality Division
Herschler Building, 4 West
122 West 25th Street

999 18th St., Suite 300
 Denver, CO 80202-2466

Cheyenne, WY 82002

b. Routine Monitoring End of Pipe Outfall(s) 001, 003

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 Calcium, me/l	Monthly April through September	Grab
Dissolved Iron, µg/l	Annually	Grab
Dissolved Magnesium, mg/l	Monthly April through September	Grab
Dissolved Magnesium, me/l	Monthly April through September	Grab
pH, su	Once Every Six Months	Grab
Dissolved Sodium, mg/l	Monthly April through September	Grab
Dissolved Sodium, me/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 Recoverable Arsenic, µg/l	Annually	Grab
Total Recoverable Barium, µg/l	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 at outfall(s) 001, 003.

c. Routine Monitoring End of Pipe Outfall(s) 002

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

Parameter	Measurement Frequency	Sample Type
Chloride, mg/l	Annually	Grab
Dissolved Calcium, mg/l	Monthly April through September	Grab
Dissolved Calcium, me/l	Monthly April through September	Grab
Dissolved Iron, µg/l	Once Every Three Months	Grab
Dissolved Magnesium, mg/l	Monthly April through September	Grab
Dissolved Magnesium, me/l	Monthly April through September	Grab
pH, su	Once Every Six Months	Grab
Dissolved Sodium, mg/l	Monthly April through September	Grab
Dissolved Sodium, me/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 Recoverable Arsenic, µg/l	Annually	Grab
Total Recoverable Barium, µg/l	Annually	Grab
Total Flow - (MGD)	Monthly	Continuous
Total Radium 226, pCi/l	Annually	Grab
Total Radium 228, pCi/l	Annually	Grab

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) 002.

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 following issuance of this modification is due on February 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: Outfall Location Information

Discharge Point # (Outfall)	***Immediate Receiving Stream	Mainstem	Distance from outfall to mainstem (stream miles)	Qtr	Qtr	Sec	Twn	Rng	Latitude	Longitude	County	Groundwater Approval Required?
001	NBC, BC, AC	Cheyenne River	2.5 stream miles to confluence of Bates Creek and 15 linear miles to Antelope Creek	NE	SW	25	42	74	43.58039	-105.69894	Campbell	No
002	BC, AC	Cheyenne River	0 miles to Bates Creek and 16 linear miles to Antelope Creek	SW	SW	36	42	74	43.56239	-105.70355	Campbell	No
003	UET,NBC,BC,AC	Cheyenne River	3.2 stream miles to confluence of Bates Creek and 15 linear miles to Antelope Creek	NW	NE	25	42	74	43.58903	-105.69175	Campbell	No

***AC - Antelope Creek, BC = Bates Creek, NBC = North Bates Creek, UET = Unnamed Ephemeral Tributary

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

C. RESERVOIR / IMPOUNDMENT REQUIREMENTS

1. Groundwater Monitoring Beneath Impoundments

Table 1 of the permit above identifies which outfalls (if any) are designed to discharge into impoundments that are subject to groundwater monitoring requirements established in the latest version of the Water Quality Division guideline "*Compliance Monitoring for Groundwater Protection Beneath Unlined Coalbed Methane Produced Water Impoundments.*" These specified outfalls are not authorized to discharge until a written groundwater compliance approval has been granted by the Groundwater Pollution Control Program of the Water Quality Division. A groundwater compliance approval will consist of either a final approved groundwater compliance monitoring plan, or written authorization for an exemption thereof. Once an impoundment has been granted a written groundwater compliance approval, the contributing outfall(s) to that reservoir may commence discharge.

Any discharge into an impoundment which has not been granted the required groundwater compliance approval will constitute a violation of this permit, and may result in enforcement action from the Water Quality Division to include a notice of violation, revocation of the discharge permit, or other appropriate enforcement action.