

**Wyoming Department of Environmental Quality
Water Quality Division
WYPDES Program**

STATEMENT OF BASIS

Major Modification

APPLICANT NAME: North Finn, LLC

MAILING ADDRESS: 950 Stafford
Casper, WY 82609

FACILITY LOCATION: Big Bend I-II Federal Facility, which is located in the NENE of Section 2, Township 42 North, Range 78 West; and in the SWNE, NWNE of Section 25, the SWNE, SENE of Section 26, the SWSE, NESE, NENW of Section 23, the SENE, NENW, NESW of Section 35, the SENE, NENE of section 27, the SENE of Section 22, the SESW, SWNW of Section 14, and the SWSE, NESE of Section 13, Township 43 North, Range 78 West, in Johnson County. The produced water will be discharged to on-channel reservoirs (class 3B) located in named and unnamed ephemeral tributaries (class 3B) to House Creek (class 3B) and to on-channel reservoirs (class 3B) located in Holler Draw (class 3B); both House Creek and Holler Draw are tributary to the Powder River (2ABWW) via Dry Fork Powder River (class 3B). The permit requires that the produced water being discharged from this facility originate in the Big George coal seam, and establishes a total maximum daily flow limit of 1.88 million gallons per day (MGD).

NUMBER: WY0055387

Upon approval of this major modification, the terms and conditions of WY0055387 are modified as follows:

- 1. Reservoir containment language is modified to indicate that intentional reservoir releases are not allowed unless the permittee gets prior written authorization from the WYPDES program for a reservoir release, in association with use of assimilative capacity credits for the Powder River Basin.*

With the exception of items explicitly delineated in this major modification, all terms and conditions of WY0055387, including Parts II and III of the renewed permit, shall remain unchanged and in full force and effect.

General Description

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 effluent limits established in this permit are based upon Chapters 1 and 2 of the Wyoming Water Quality Rules and Regulations and other evaluations conducted by WDEQ related to this industry. 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.

Facility Description

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, class 3, and/or class 4 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, recreation, agriculture, wildlife, industry and scenic value. Based on information in this application and previous applications within this drainage, WDEQ is not aware of any existing irrigation downstream of this facility on the receiving streams prior to the confluence with the Powder River.

The permittee is required to contain all effluent from the outfalls in a series of on-channel reservoirs at this facility, unless prior written authorization is granted by the WYPDES program for a reservoir release, in association with use of assimilative capacity credits for the Powder River Basin. In the event that such an authorization for release is granted for this facility, the authorization letter will specify the release volume, duration and individual reservoir(s) covered. In the absence of such written authorization for release, the following containment requirements will apply at the reservoirs: the permittee will be required to contain all produced water within a series of on-channel reservoirs during “dry” operating conditions. The permittee is authorized to release discharge from upstream on-channel reservoirs only. Water released from the upstream reservoirs will be allowed to cascade down to the lowermost on-channel reservoirs, identified as follows: “Meike 42-3”, “Meike 22-14”, “Meike 24-14”, and “Dry Fork 44-14”. This permit prohibits discharge of effluent from the lowermost reservoirs except during periods of time in which natural precipitation causes the lowermost reservoirs to overtop and spill. Intentional or draw-down type releases from the lowermost reservoirs will constitute a violation of this permit. Discharge from the reservoirs is limited by the permit to natural overtopping and shall not extend beyond a 48 hour period following commencement of natural overtopping. It is the responsibility of the permittee to adequately demonstrate the circumstances in which reservoir discharges occurred, if requested to do so by the WYPDES Program.

The permit requires sampling at tributary water quality monitoring stations located on Dry Fork Powder River and at two mainstem water quality monitoring locations on the Powder River upstream and downstream of the confluence of Dry Fork Powder River with the Powder River. Water quality monitoring stations on the Powder River must be located in the main channel of the Powder River outside of the mixing zone of Dry Fork Powder River and the Powder River. Effluent samples at the designated water quality monitoring stations must be collected on a monthly basis and are to be reported semiannually. If flow occurs at the tributary water quality monitoring station designated in Table 1, Part I.B.12 of the following permit as “TRIB1” 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 associated mainstem 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 tributary water quality monitoring station. If no flow at all occurs at the tributary water quality monitoring station designated as “TRIB1” for an entire monthly monitoring period, then “no flow” is to be reported and samples need not be collected at the associated mainstem and tributary water quality monitoring station for that monthly monitoring period.

At the designated water quality monitoring stations, monitoring will be required for calcium, magnesium, sodium, sodium adsorption ratio, and specific conductance. Information gathered from the water quality monitoring stations may result in modification of the permit to protect existing uses on the tributary and mainstem.

Effluent Limits and Permit Requirements

Permit effluent limits are based on federal and state regulations and are effective as of the date of issuance. The permit requires that the pH must remain within 6.5 and 9.0 standard units. An effluent limit for specific conductance (7500 micromohs/cm) is included to protect for stock and wildlife watering. This limit is based upon Wyoming Water Quality Rules and Regulations, Chapter 2 and applies to discharge from any permitted outfall. In addition, the permit establishes a total barium limit of 1800 µg/l, a dissolved copper limit of 5.9 µg/l, a dissolved zinc limit of 76 µg/l, and a total arsenic limit of 8.4 µg/l. The permit also establishes a chlorides limit of 150 mg/l. 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, permit establishes a dissolved iron effluent limit of 1000 µg/l, this limit is based upon acute aquatic life standards for class 3 waters - "tier one protection", which is intended to protect for the above listed designated uses. Tier one protection does not consider antidegradation, which is appropriate for a non-persistent pollutant such as dissolved iron.

Documentation submitted in support of this permit by the permittee was based upon water quality representative of water quality from the Big George coal seam in the surrounding geographical area, and a total maximum daily discharge rate of 1.88 million gallons per day (MGD). Therefore, the permit requires that the produced water being discharged by this facility originate in the Big George coal seam, and establishes a total maximum daily flow limit of 1.88 MGD, which is to be calculated as the sum of all discharge from all permitted outfalls.

Monitoring and Reporting

Self monitoring 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.

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

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

Self monitoring of effluent quality and quantity is required on a regular basis with reporting of results semiannually. The permit is scheduled to expire on March 31, 2010, which is reflective of the WDEQ's efforts towards watershed permitting and similar expiration dates for all permits within a specific drainage, which will allow for basin-wide analysis upon renewal of the permits in the drainage. 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.

Jennifer Zygmunt
Water Quality Division
Department of Environmental Quality
Drafted: May 8, 2007

Jennifer Zygmunt—Renewal
Water Quality Division
Department of Environmental Quality
Drafted: July 10, 2007

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,

North Finn, LLC,

is authorized to discharge from the wastewater treatment facilities serving the

Big Bend I-II Federal Facility,

which is located in the

NENE of Section 2, Township 42 North, Range 78 West; and in the SWNE, NWNE of Section 25, the SWNE, SENE of Section 26, the SWSE, NESE, NENW of Section 23, the SENE, NENW, NESW of Section 35, the SENE, NENE of section 27, the SENE of Section 22, the SESW, SWNW of Section 14, and the SWSE, NESE of Section 13, Township 43 North, Range 78 West, in Johnson County,

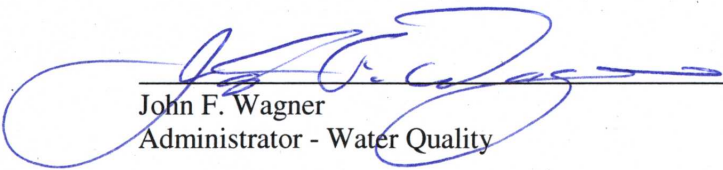
to receiving waters named

on-channel reservoirs (class 3B) located in named and unnamed ephemeral tributaries (class 3B) to House Creek (class 3B) and to on-channel reservoirs (class 3B) located in Holler Draw (class 3B); both House Creek and Holler Draw are tributary to the Powder River (2ABWW) via Dry Fork Powder River (class 3B),

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

This permit modification shall become effective on the date of signature by the Director of the Department of Environmental Quality. **With the exception of items explicitly delineated in this major modification, all terms and conditions of WY0055387, including Parts II and III of the renewed permit, shall remain unchanged and in full force and effect.**

This permit and the authorization to discharge shall expire March 31, 2010, at midnight.



John F. Wagner
Administrator - Water Quality

Date 12/28/07



John V. Corra
Director - Department of Environmental Quality

Date 12/28/07

PART I**A. EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS**

Effective immediately and lasting through March 31, 2010, 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) 001-018.

1. Such discharges shall be limited at all outfalls as specified below:

| <u>Effluent Constituent</u> | <u>Daily Maximum, Outfalls</u> |
|--|------------------------------------|
| Chlorides , mg/l | 150 |
| pH , standard units | 6.5 – 9.0 |
| Specific Conductance , micromhos/cm | 7500 |
| Total Recoverable Arsenic , µg/l | 8.4 |
| Total Recoverable Barium , µg/l | 1800 |
| Total Flow , MGD* | 1.88 |
| Dissolved Iron , µg/l | 1000 |
| Dissolved Copper , µg/l | 5.9 |
| Dissolved Zinc , µg/l | 76 |

*Total flow is to be calculated as the sum of all discharge from all authorized outfalls.

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

This permit requires that the produced water being discharged by this facility originate in the Big George coal seam. The permittee is authorized to discharge from all wells to all permitted outfalls, provided all effluent limits can be met. The total daily maximum permitted flow for this facility is 1.88 MGD.

The permittee is required to contain all effluent from the outfalls in a series of on-channel reservoirs at this facility, unless prior written authorization is granted by the WYPDES program for a reservoir release, in association with use of assimilative capacity credits for the Powder River Basin. In the event that such an authorization for release is granted for this facility, the authorization letter will specify the release volume, duration and individual reservoir(s) covered. In the absence of such written authorization for release, the following containment requirements will apply at the reservoirs: the permittee will be required to contain all produced water within a series of on-channel reservoirs during “dry” operating conditions. The permittee is authorized to release discharge from upstream on-channel reservoirs only.

Water released from the upstream reservoirs will be allowed to cascade down to the lowermost on-channel reservoirs, identified as follows: “Meike 42-3”, “Meike 22-14”, “Meike 24-14”, and “Dry Fork 44-14”. This permit prohibits discharge of effluent from the lowermost reservoirs except during periods of time in which natural precipitation causes the lowermost reservoirs to overtop and spill. Intentional or draw-down type releases from the lowermost reservoirs will constitute a violation of this permit. Discharge from the reservoirs is limited by the permit to natural overtopping and shall not extend beyond a 48 hour period following commencement of natural overtopping. It is the responsibility of the permittee to adequately demonstrate the circumstances in which reservoir discharges occurred, if requested to do so by the WYPDES Program.

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.

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.

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

a. Monitoring of the initial discharge

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.

Within 60 days of commencement of discharge, a sample shall be collected from each outfall and analyzed for all the 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 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* (See notes following the table on chemical states) | Required Detection Limits and Required Units |
|--|---|
| Alkalinity, Total | 1 mg/l as CaCO ₃ |
| Aluminum, Dissolved | 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 mg/l |
| Chloride | 5 mg/l |
| Copper, Dissolved | 10 µg/l |
| Dissolved Solids, Total | 5 mg/l |
| Fluoride, Dissolved | 100 µg/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 pH unit |
| Radium 226, Total Recoverable | 0.2 pCi/l |
| 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 |
| Sulfate | 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: Value 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
1595 Wynkoop Street
Denver, CO 80202-1129

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 – outfalls 001-018

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. Reporting 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) | Annually | Grab |
| Dissolved Calcium (mg/l) | Quarterly | Grab |
| Chloride (mg/l) | Annually | Grab |
| Dissolved Magnesium (mg/l) | Quarterly | Grab |
| pH (standard units) | Once Every Six Months | Grab |
| Dissolved Sodium (mg/l) | Quarterly | Grab |
| Sodium Adsorption Ratio (unadjusted for bicarbonate) | Quarterly | Calculated |
| Specific Conductance (micromohs/cm) | Quarterly | 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 |
| Dissolved Iron (µg/l) | Annually | Grab |
| Total Dissolved Solids (mg/l) | Quarterly | Grab |
| Dissolved Copper (µg/l) | Annually | Grab |
| Dissolved Zinc (µg/l) | Annually | Grab |

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

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

| <u>Parameter</u> | <u>Measurement Frequency</u> | <u>Sample Type</u> |
|---|------------------------------|--------------------|
| Dissolved Calcium (mg/l) | Monthly | Grab |
| Dissolved Magnesium (mg/l) | Monthly | Grab |
| Dissolved Sodium (mg/l) | Monthly | Grab |
| Sodium Adsorption Ratio (unadjusted) | Monthly | Calculated |
| Specific Conductance (micromohs/cm) | Monthly | Grab |
| Flow (MGD)* | Monthly | Instantaneous |

*The permittee is only required to monitor and report flow at the tributary monitoring station, TRIB1, on Dry Fork Powder River. The permittee is not required to monitor or report flow data at the mainstem water quality monitoring stations (UPR and DPR), see Table 1 at the end of Part I for location descriptions.

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, UPR, and DPR in Table 1 (Part I.B.12) 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 the water quality monitoring stations when flow containing effluent from this CBM facility reaches a tributary water quality monitoring station identified as “TRIB1”, Part I.B.12 of the permit during a given monthly monitoring period. If flow reaches the tributary monitoring station, but this CBM facility did not contribute to that flow, the permittee will report “did not contribute” in the discharge monitoring reports for the associated water quality monitoring stations for that monthly monitoring period. Under such circumstances, sampling is not required at the associated 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 flow occurring at the tributary water quality monitoring station identified as “TRIB1”. If no flow at all occurs at the tributary water quality monitoring station for an entire monthly monitoring period, then “no flow” is to be reported and samples need not be collected at the associated mainstem water quality monitoring stations for that monthly monitoring period.

B. MONITORING AND REPORTING**1. Representative Sampling**

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

2. Reporting

Results of 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. 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 the issuance of this modification is due on August 15th, 2008.

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.

Public notice is not required if the location of the established discharge point is 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 Outfall and Water Quality Monitoring Station Locations

As of the date of permit issuance, authorized points of discharge were as follows:

SEE TABLE 1 FOR A LIST OF OUTFALL AND WATER QUALITY MONITORING STATION LOCATIONS

Table 1: WY0055387 - Big Bend I-II Federal Facility

| Out-fall | Qtr/Qtr | SECTION | TWP (N) | RNG (W) | LATITUDE | LONGITUDE | Drainage / Description | Groundwater approval required prior to Discharge? | Reservoir Bond to WDEQ Required prior to Discharge? |
|----------|---------|---------|---------|---------|-----------|-------------|---|---|---|
| 001 | SWNE | 25 | 43 | 78 | 43.671225 | -106.176575 | House Creek via Ranch Draw via on-channel reservoirs "Dry Fork 32-25" and "Dry Fork 44-14" | YES | NO |
| 002 | NWNE | 25 | 43 | 78 | 43.676217 | -106.177939 | House Creek via Boot Gulch via on-channel reservoirs "Dry Fork 34-24" and "Dry Fork 44-14" | YES | NO |
| 003 | SWNE | 26 | 43 | 78 | 43.670594 | -106.194614 | House Creek via Bull Draw via on-channel reservoirs "Dry Fork 32-26" and "Dry Fork 44-14" | YES | NO |
| 004 | SENE | 26 | 43 | 78 | 43.669917 | -106.191389 | House Creek via House Draw No. 2 via on-channel reservoirs "Dry Fork 42-26" and "Dry Fork 44-14" | YES | NO |
| 005 | SWSE | 23 | 43 | 78 | 43.67565 | -106.197447 | House Creek via Dee Draw via on-channel reservoirs "Dry Fork 34-23" and "Dry Fork 44-14" | YES | NO |
| 006 | NESE | 23 | 43 | 78 | 43.680725 | -106.190144 | House Creek via on-channel reservoirs "Dry Fork 44-14" and "Dry Fork 44-14" | YES | NO |
| 007 | NENE | 2 | 42 | 78 | 43.64352 | -106.19145 | House Creek via Rodeo Draw via on-channel reservoirs "LeDoux 41-2" and "Dry Fork 44-14" | YES | NO |
| 008 | SENE | 35 | 43 | 78 | 43.65595 | -106.18964 | House Creek via Saddle Draw via on-channel reservoirs "LeDoux 42-35" and "Dry Fork 44-14" | YES | NO |
| 009 | NENW | 35 | 43 | 78 | 43.65856 | -106.20166 | House Creek via House Draw No. 2 via on-channel reservoirs "House #2 (LeDoux 21-35)" and "Dry Fork 44-14" | YES | NO |
| 010 | NESW | 35 | 43 | 78 | 43.65214 | -106.20464 | House Creek via House Draw No. 2 via on-channel reservoirs "LeDoux 23-35" and "Dry Fork 44-14" | YES | NO |
| 011 | SENE | 27 | 43 | 78 | 43.66758 | -106.21219 | House Creek via Oil Draw via on-channel reservoirs "Oil Draw (LeDoux 42-27)" and "Meike 24-14" | YES | NO |
| 012 | NENE | 27 | 43 | 78 | 43.67216 | -106.20972 | House Creek via Dry Gulch via on-channel reservoirs "LeDoux 41-27" and "Meike 24-14" | YES | NO |
| 013 | SENE | 22 | 43 | 78 | 43.682759 | -106.213056 | House Creek via Oil Draw via unnamed, ephemeral tributary via on-channel reservoirs "Meike 42-22" and "Meike 24-14" | YES | NO |
| 014 | NENW | 23 | 43 | 78 | 43.689009 | -106.202414 | House Creek via Oil Draw via on-channel reservoir "Meike 24-14" | YES | NO |
| 015 | SESW | 14 | 43 | 78 | 43.692253 | -106.201153 | House Creek via Oil Draw via on-channel reservoir "Meike 24-14" | YES | NO |
| 016 | SWNW | 14 | 43 | 78 | 43.697926 | -106.201153 | House Creek via Accomodation Draw via on-channel reservoir "Meike 22-14" | YES | NO |
| 017 | SWSE | 3 | 43 | 78 | 43.719876 | -106.216254 | Holler Draw via unnamed ephemeral tributary via on-channel reservoirs "Meike 34-3" and "Meike 42-3" | YES | YES |
| 018 | NESE | 3 | 43 | 78 | 43.723918 | -106.210625 | Holler Draw via on-channel reservoir "Meike 42-3" | YES | YES |

Table 1: WY0055387 - Big Bend I-II Federal Facility

| Out-fall | Qtr/Qtr | SECTION | TWP (N) | RNG (W) | LATITUDE | LONGITUDE | Drainage / Description | Groundwater approval required prior to Discharge? | Reservoir Bond to WDEQ Required prior to Discharge? |
|----------|---------|---------|---------|---------|-----------|-------------|--|---|---|
| UPR | SWNW | 16 | 44 | 78 | 43.785242 | -106.24685 | Upstream Powder River monitoring station (above Dry Fork Powder River) | N/A | N/A |
| DPR | SWSW | 9 | 44 | 78 | 43.791328 | -106.24685 | Downstream Powder River monitoring station (below Dry Fork Powder River) | N/A | N/A |
| TRIB | NENE | 16 | 44 | 78 | 43.789000 | -106.228987 | Tributary monitoring station on Dry Fork Powder River | N/A | N/A |

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 Table 1 (Part I.B.12) 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 and/or total radium 226 effluent 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.

2. Reclamation Performance Bonds for On-Channel Reservoirs:

Table 1 of the permit above also identifies which outfalls (if any) are designed to discharge into impoundments that are subject to WDEQ bonding requirements, as set forth in the latest version of the Water Quality Division guideline "*Implementation Guidance for Reclamation and Bonding of On-Channel Reservoirs That Store Coalbed Natural Gas Produced Water.*" These specified outfalls are not authorized to discharge until the associated reservoir reclamation bond is approved by WDEQ. Once the reservoir reclamation bond is approved by WDEQ, the contributing outfall(s) to that reservoir may commence discharge.

Any discharge into an above-listed impoundment which has not been secured by the required WDEQ-approved bond, or 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.