

STATE OF WYOMING PUBLIC NOTICE

THE PURPOSE OF THIS NOTICE IS TO INDICATE THE STATE OF WYOMING'S INTENTION TO ISSUE AN UNDERGROUND INJECTION CONTROL PERMIT AND TO CLASSIFY THE RECEIVING GROUNDWATER OF THE STATE IN THE VICINITY OF THE PERMITTED INJECTION UNDER THE WYOMING ENVIRONMENTAL QUALITY ACT (35-11-101 ET. SEQ. WYOMING STATUTES 1957, CUMULATIVE SUPPLEMENT 1973), AND DEPARTMENT OF ENVIRONMENTAL QUALITY, WATER QUALITY RULES AND REGULATIONS CHAPTERS 8, 11 AND 16. THE PERMIT IS FOR THE INJECTION OF COAL BED METHANE PRODUCED WATER INTO 32 WELLS ALLOWING A MAXIMUM DISPOSAL OF 3,570 BARRELS PER DAY.

PERMIT NUMBER: 10-498; PERMITTEE NAME: Patriot Energy Resources, LLC, PO Box 7070, Gillette, WY 82717; PHONE: (307) 686-9488; FACILITY NAME AND LOCATION: Patriot Energy Resources, LLC South Kitty CBM Injection located in Townships 49 and 50, Range 73, Sixth Principal Meridian, all in Campbell County, Wyoming.

This permit proposes to authorize the injection of coal bed methane (CBM) produced water into 32 wells. The permittee is requesting a 5-year permit to inject CBM produced waters in order to enhance methane production. The permittee will be allowed to inject a maximum of 3,570 barrels per day. The injectate will consist of produced water from the Smith and Wyodak coal seams. The receiving geologic formation is the Wyodak coal seam within the Tertiary Paleocene Fort Union Formation.

The groundwater in the Wyodak coal seam of the Fort Union Formation is classified as Class I by use according to Wyoming Water Quality Rules and Regulations, Chapter 8. This classification was established because there are several domestic wells within the immediate vicinity utilizing groundwater from the Wyodak coal seam and associated Fort Union sand units for domestic purposes. Groundwater of Class I shall not be degraded to make it unusable as a source of water for this purpose. An aquifer that contains less than 10,000 mg/L total dissolved solids (and is not exempted) can be considered an underground source of drinking water.

The proposed permit requires that the permittee monitor the injection and production wells, and offer to monitor permitted domestic use wells within the area. Monitoring is designed to show that there will not be a groundwater standards violation as a result of this injection. Underground Injection Control regulations require that each permitted injection well be reviewed thoroughly at least every five (5) years in addition to the normal review done quarterly.

Other tentative determinations have been made by the State of Wyoming relative to conditions to be imposed on the permit. These conditions will assure that useable water of the State will be protected and applicable provisions of State statutes and regulations will be followed.

PUBLIC COMMENTS on the proposed permit and the proposed groundwater classification may be mailed to: Wyoming Department of Environmental Quality, Water Quality Division, John Passehl., Herschler Building, 4th Floor West, 122 West 25th Street, Cheyenne, Wyoming 82002; or by FAX to (307) 777-7610. All comments received prior to 5PM June 11, 2011 will be considered.