



Story available at <http://www.billingsgazette.net/articles/2008/02/08/news/wyoming/35-drilling.txt>

Published on Friday, February 08, 2008.
Last modified on 2/8/2008 at 1:06 am

CBM drilling halt in drainages suggested

By **MATTHEW BROWN**
Associated Press

Halting natural gas development in two northern Wyoming drainages would conserve tens of billions of gallons of water with a negligible effect on gas production, Wyoming officials said.

Within the Powder River Basin straddling the Montana-Wyoming border, an estimated 147 billion gallons of water was discharged as a byproduct of gas exploration over the past decade.

Most of the activity has been in Wyoming - angering officials and agricultural interests in Montana who complain that the region's streams and aquifers are fast being depleted. The dispute helped spur a lawsuit between the two states that is pending before the U.S. Supreme Court.

The oil and gas boom that has swept Wyoming since the late 1990s has brought the state billions of dollars in new revenues. But a new report from the Wyoming State Geological Survey underscores the strain that boom is putting on tight water supplies.

In the report, survey officials say more than 130 billions gallons of water could be saved through a moratorium on energy development in two drainages, Clear Creek and Crazy Woman Creek.

The creeks flow from Sheridan and Johnson counties into the Powder River.

Because little gas has been found in the two drainages, a drilling moratorium would reduce overall gas production in the Powder River Basin by less than 1 percent over the next 12 years, the report says.

If drilling is not halted, the survey projects more than 10,000 wells drilled in the drainages during that period. That's about one-fifth of total expected drilling in the basin.

Water issues are common for the energy industry, but are particularly acute with a type of natural gas found in the basin known as coalbed methane.

For a single coalbed methane well, tens of millions of gallons of water can be pumped from underground aquifers. Companies remove the water as they search for methane trapped in underground coal seams.

That water is wasted if gas reserves are never found, said State Geologist Ronald Surdam, the lead author of the new report.

Companies already working in the area highlighted in Surdam's report began to face tougher scrutiny from state regulators late last year.

In December, State Engineer Patrick Tyrrell threatened to revoke the permits on 300 wells that had discharged 1.7 billion gallons of water but produced no gas.

Ten companies were asked to "show cause" as to why no gas had been produced. Four have since volunteered to plug their wells, said Don Likwartz, supervisor of the Wyoming Oil and Gas Conservation Committee.

The prospect of a moratorium was applauded by the Powder River Basin Resource Council, a conservation group that has pushed for tighter restrictions on the coalbed methane industry.

"The Geological Survey straight-up acknowledges that this is not sustainable," Bob LeResche, the group's chairman, said in a statement. "The state engineer cannot rationally continue to permit disposal of this water as a 'beneficial' use."

John Robitaille with the Petroleum Association of Wyoming said the recent actions by the state engineer should be given more time to work.

Under a moratorium, he said, "we may be limiting ourselves without giving us an opportunity to find a way to produce the gas."

Copyright © The Billings Gazette, a division of [Lee Enterprises](#).