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## Wyo, Montana resume talks

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BILLINGS, Mont. -- Officials from Montana and Wyoming are revisiting the terms of a proposed agreement between the two states in a lawsuit over water discharged by the coal-bed methane industry.

One Montana official said the sides are trying to resolve what restrictions on coal-bed methane water should apply to a pair of tributaries along the Tongue River.

Those tributaries and the Tongue and Powder rivers flow into Montana from Wyoming, which has seen extensive coal-bed methane development in recent years.

At issue is water pumped from underground aquifers by companies seeking to free trapped methane, a type of natural gas. The discharged water is high in naturally occurring salts that can damage crops and ruin irrigated soils.

To prevent the water from harming downstream ranches and farms, Montana in 2006 adopted strict new water quality standards. Several companies sued to block the new rules and Wyoming later joined them, saying the standards threatened to slow development.

The states appeared near a deal in the fall, but missed a Nov. 30 settlement deadline set by a federal judge. However, negotiations are continuing and a deal is still possible, according to those involved in the case.

The U.S. Environmental Protection Agency -- which must approve Montana's rules before they can go into effect -- is the lead defendant in the case. Montana, some landowners and a conservation group, the Powder River Basin Resource Council, have intervened on the side of the agency.

A tentative agreement reached in the fall called for higher water quality standards along the Tongue River, but lesser standards for the two tributaries -- Hanging Woman and Badger creeks -- and along the Powder River.

The deal must be signed by the states' governors.

Wyoming Gov. Dave Freudenthal is said to be under pressure from energy companies to reject any deal that would be hard on industry.

In Montana, Gov. Brian Schweitzer has faced pressure from some landowners who claimed the initial agreement was too weak.

To address those concerns, Montana in recent weeks proposed restrictions on the amount of water flowing into the tributaries, said Richard Oppen, director of the Montana Department of Environmental Quality.

"If they put enough water into the tributaries, it raises the water in the flood plain, and all of a

sudden the crops are irrigated with (poor quality) water and they lose their productivity," Opper explained.

By setting a limit on how much water could be discharged, Opper said the proposal would give "more protection" than the initial agreement. But he later added, "On the other hand, I think that the amount of water produced (by industry) would likely be too low to have a significant impact."

Wyoming Attorney General Bruce Salzburg acknowledged that the two sides had resumed negotiations. He declined to go into details. "We're waiting for some clarification from Montana," he said.

Officials from both states had said in November that they were working toward a final agreement by Nov. 30 -- the deadline set by U.S. District Judge Clarence Brimmer in Cheyenne. Now, attorneys in the case say the states can continue negotiating until Brimmer orders otherwise or sets a briefing schedule.

Salzburg said Wyoming continues to push for an agreement. He said a deal could be reached at any time.

Whether that would satisfy the companies that filed the lawsuit remains to be seen.

An attorney for the coal-bed methane industry, John Martin, declined to comment pending the outcome of the states' negotiations.