

Thursday, March 18, 2004

PRESS RELEASE - M.D. Hiza

Environmental Assessment (EA) for the J. M. Huber Corporation Lower
Prairie Dog Creek Coalbed Methane Project - Dated August 27, 1999

Request for Administrative Review of the BLM Lower Prairie Dog Coalbed
and Appeal of Decision and Finding of No Significant Impact

THE MAIN REASONS FOR OPPOSITION ARE:

1. THE ECONOMIC LOSSES TO THE STATE AND LOCAL COMMUNITIES THAT WILL OCCUR HAVE NOT BEEN ADEQUATELY ADDRESSED
 - a. No assessment was made regarding the value of water being pumped out of the ground and being dumped. The 190 wells in this first EA will pump roughly enough water to support the city of Sheridan, assuming the rate is only 15 gallons per minute as stated in the EA.
 - b. Lost revenue resulting from disruptions in hunting were not included.
 - c. Lost revenue from impacts to agriculture were not included.
 - d. Reduced real estate values caused by water loss, noise, visual impacts, equipment exhaust, etc., and the resulting lost tax revenue were not analyzed. Also, losses on individual property sales that would impact individuals are not discussed.
 - e. If the state were to receive 6% of the revenues on the 190 wells under the assumptions presented in the EA it would receive a total income of \$880,000 annually. However, the replacement cost of discharged water based on the conventional municipal system in Buffalo amounts to at a minimum \$3,000,000 annually. That's a potential annual loss of \$2,120,000 every year. The state severance is only 2% for the first two years. This potential loss ignores all the other impacts indicated above. **Re-injection, a possible method to reduce the water lost, is totally dismissed.**
2. PROTECTION FROM IMPACTS HAS BEEN LEFT UP TO INDIVIDUALS
 - a. Seventy five percent (75%) of the residents of Wyoming depend on the use of groundwater. The projected development in the Powder River Basin is reported to include ultimately 15,000 wells. Over 8,000 have been permitted to date, although few wells are pumping, yet. Based on the assumptions in the EA, water loss from just this region would be enough to supply

water to the entire state for 36 years. PROTECTION OF GROUND WATER USERS HAS NOT BEEN ADEQUATELY ADDRESSED. NOR ARE CITIZENS PROTECTED AGAINST OTHER POTENTIAL IMPACTS. Negotiating and collecting for losses caused by the Coal Bed Methane Operators are strictly left up to individuals. The BLM has ignored many of the potential losses that will occur, both in the assessment of the impacts and in providing mitigation or protection. **IT LEAVES RECOURSE STRICTLY TO INDIVIDUALS.**

3. THE TOTAL AREA THAT DEVELOPMENT WILL OCCUR WAS NOT INCLUDED

- a. A nearly contiguous project of 250 wells in Montana, as well as other expected development in Sheridan area, has not been included.
- b. Regardless of the deficiencies of the Environmental Assessment prepared by the Bureau of Land Management, it is a valuable process and provides some basis for the assessment of the merit for the development of Coal Bed Methane. **Based on the EA, however, it does not appear that it is in the best financial interest of the residents of Wyoming to proceed with this development as currently envisioned.**
- c. The state officials of Wyoming, however, **without conducting any assessments** are convinced that development is the best course of action for them to take. They are doing everything they can to accommodate development.
 1. For example, the Department of Environmental Quality is considering a the proposal to "revise the numerical human health values for arsenic and barium, and for the secondary drinking water limits on iron and manganese in selected water sheds"; in order to accommodate coal bed methane discharges in the Power River Basin. As part of this it is proposed to **"eliminate the human health criterion for iron and manganese in selected watersheds where it has been demonstrated that there are no current drinking water supplies dependent upon or influenced by surface water sources, and where there is no reasonable potential for future public water supply development, or drinking water sources are sufficiently downstream or isolated from the stream as to have little or no effect on the drinking water source"**.

End this release.