

POWDER RIVER BREAKS

September ~ October 2017 Volume 45, Number 5

ENCOURAGING RESPONSIBLE DEVELOPMENT TODAY ~ FOR TOMORROW



POWDER RIVER BASIN
Resource Council

Powder River Pushes for Federal Oil & Gas Reform

On September 14th, Powder River joined with other stakeholders to file a petition requesting the Interior Department and Bureau of Land Management update how they manage oil and gas leasing on public lands to give a fair return to the American people and to comply with federal laws.



The signers are Dan Bucks, former director of the Montana Department of Revenue, Powder River members and ranchers Marjorie West and Leland Turner, and the Wilderness Society. The document emphasizes that the agencies are legally required to ensure that Americans receive fair market value for the natural resources found on and under public lands.

Bob LeResche, Powder River Board Chair—who is a former Alaska Commissioner of Natural Resources and former Executive Director of the Alaska Energy Authority—said, “An important part of

Interior’s charge to manage natural resources owned by all Americans is their proprietary duty to achieve a fair return when they lease or sell fossil fuels. It is high time that the government prioritizes revenues that benefit all citizens, improves their lax financial management, and stops selling oil and gas to corporate interests at below market prices.”

The petition also calls attention to legal requirements that the Interior Department manage public lands for many different uses, not just energy development. Despite these

laws, drilling has historically often been prioritized on public lands.

Since January, this administration has been focused on regulatory rollbacks, so-called streamlining, and other shifts in policy that are moving the department even further toward an energy-above-all-else approach to public land and resource management—making the petition even more timely and critical.

.....continued on page 4

Regenerating Landscapes Soil Health Workshop Features Gabe Brown

Powder River has partnered with the Sheridan County Conservation District, Plank Stewardship Initiative, and Sheridan College to host a Regenerating Landscapes Soil Health Workshop featuring Gabe Brown on Friday, November 10 in Sheridan. Brown, who ranches and farms east of Bismarck, ND, is one of the most sought after presenters for no-till, cover crops, livestock grazing, and soil health in the United States.

The event will begin at 11:30 am with registration and coffee, followed by the Regenerating Landscapes Soil Health Workshop at 12:30. The Browns practice holistic management on their 5,000 acre ranch, where they've practiced no-till farming since 1993, improving their soils along the way. They employ a diverse cropping strategy, which includes cover and companion crops. These management practices have allowed the Browns to eliminate the use of synthetic fertilizers, fungicides, and pesticides, as well as increase the production and profitability of the ranch. To learn more about Gabe Brown's Ranch visit <http://brownsranch.us/>.

The afternoon event will be held at the Whitney Center for the Arts at Sheridan College, and the cost to attend is \$10. You can register for the workshop in advance by calling our office at 672-5809 or at <http://bit.ly/SoilHealthWorkshop2017>.

A block of rooms is available at the Sheridan Holiday Inn for

\$79/night under "Soil Health Workshop." For more information please contact Megan Taylor at (307) 683-7761 or mtaylor@powderriverbasin.org.

Megan Taylor
Powder River Staff



Powder River Basin Resource Council (Powder River) is a grass-roots organization of individuals and affiliate groups dedicated to good stewardship of Wyoming's natural resources. Powder River was formed in 1973 and stands for the preservation and enrichment of our agricultural heritage and rural lifestyle; the conservation of Wyoming's unique land, minerals, water and clean air consistent with responsible use of these resources to sustain the livelihood of present and future generations; and the education and empowerment of Wyoming's citizens to raise a coherent voice in the decisions that will impact Wyoming residents' environment and lifestyle.

Powder River is a member of the Western Organization of Resource Councils (WORC). WORC member groups are Dakota Resource Council, Dakota Rural Action, Idaho Organization of Resource Councils, Northern Plains Resource Council, Oregon Rural Action, Western Colorado Congress, Western Native Voice and Powder River Basin Resource Council.

The services provided by Powder River include public education, community organizing and lobbying as permitted on behalf of its membership. Powder River is a non-profit, 501 (c)(3) tax-exempt organization.

Membership dues: \$30 for individuals, \$50 for families and \$20 for students and senior citizens. Powder River is dependent on contributions for its work; contributions, large and small, are welcomed.

Active Affiliate Organizations

- Cheyenne Area Landowners Coalition(CALC)
- Clark Resource Council (CRC)
- Pavillion Area Concerned Citizens (PACC)
- Ranchers & Neighbors Protecting Our Water (RNPOW)
- Sheridan Area Resource Council (SARC)

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Powder River Breaks

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Message from the Chair

Forty-Five and Thriving

November 4th marks Powder River's 45th anniversary Annual Meeting – and invites us all to step back and think about our purposes, our successes and where we go from here.

From that mythic first meeting of Powder River Basin ranchers, other landowners and friends in Gary Packard's barn near Arvada, our organization has represented the concerns of Wyoming citizens, and empowered our members to help shape our history, guide development decisions, and push our government agencies to focus on traditional Wyoming values, our environment, and what we will leave to future generations.

Powder River has – purposely – not grown into a big radical environmental advocacy group, not become an instrument of national movements, and not succumbed to partisan politics. We are still governed by member-driven resolutions, by our very active and diverse Board of Directors from all regions of the state and from all walks of life, and by the concerns and needs of our members and regular Wyomingites.

And we have evolved to become influential at many levels – locally, regionally, state wide and sometimes nationally, when such influence serves our members. We don't seek publicity for its own sake, and most of our work is behind the scenes. Still, a glance at media stories we've been involved in shows that we are making a difference for everyday citizens.

Our impending birthday has made me notice how much Powder River is in the news these days. Just in the last couple of months, members, Board members and staff have appeared dozens of times in interviews, letters to the Editor and quotes in local, statewide and national media, on a range of subjects that concern our members and fellow Wyomingites. To mention just a few:

"Wyoming's recent economic downturn with the accompanying governmental budget crisis is a painful reminder of the folly of linking the state's revenues so lopsidedly with the extraction industries. Dependence on a single category of income is risky and shortsighted..." said Board member Marcia Westkott in a letter to the Editor concerning the work of Governor Mead's "Economically Needed Diversity Option for Wyoming" (ENDOW) group, and urging that group to focus on real diversification away from coal, oil and gas.

"[Powder River member John Fenton] said corroded surface well casing on his farm calls into question how reliable the pressure testing has been over the years and wonders if there are similar problems nearby..." said a national article on continuing water quality concerns near Pavillion – an issue Powder River has been at the center of for years.

"What we are concerned about is what you are not going to get, the analyses that take place under federal permitting for large scale groundwater impacts, surface water impacts, air quality impacts," said Powder River Executive Director Jill Morrison, quoted in an article about a proposal to shift some oil and gas permitting duties from BLM to the state. (She also noted that the state is much more effective in plugging and reclaiming orphaned wells and regulating flaring than is the BLM.)

"It's important to remember that the permit application the EQC remanded as deficient on a number of grounds Is for a coal mine, not a research center or a carbon fiber manufacturing plant," said Gillian Malone, a Powder River member, in one of numerous articles about a failed application for a coal mine permit near Sheridan. *"As with previously released statements, Ramaco is spinning a tale to woo the public on what are currently unfulfillable promises."*

"Move Over, Community Gardens: Edible Forests Are Sprouting Up Across America," read a headline in Smithsonian.com this spring, which featured the Sheridan Food Forest, a project many Powder River members have been involved in. *"Food Forest sees increase in native pollinators in first year,"* was the headline of a local newspaper article this fall, which widely quoted Powder River member Edith Heyward.

And these are just a few of the scores of impacts Powder River members have on life in our state every year. We're forty-five and thriving. We're persistent and blessed with many, many active, concerned, engaged and energetic members.

Here's to another 45, and to a better Wyoming.

A handwritten signature in black ink that reads "R. LeResche".

Pavillion Area Landowners Raise New Concerns

Pavillion area residents who are facing long term impacts to their property and water wells from nearby oil and gas development recently raised ongoing questions and concerns with state and federal agencies. In letters sent to the Wyoming Oil and Gas Conservation Commission (WOGCC) and BLM, Powder River and affiliate Pavillion Area Concerned Citizens (PACC) raised questions about Encana's well plugging and abandonment operations currently underway.

A number of the wells being plugged have highly corroded casing and high gas pressures (reportedly 1000psi). Landowner and

the Pavillion Gas Field. Representatives from the WOGCC and the BLM notified the organizations that they are looking into the questions and will respond.

Impacted resident John Fenton said, "The surface casing I



PACC member John Fenton provided photos of corroded casing, and now landowners are raising questions about whether the high gas pressure and degraded condition of the production well has caused unwanted migration of methane gas into the aquifer used by residents. Landowners are also asking how widespread this problem is throughout

witnessed that was removed from a wellhead on our property was completely rusted through. The BLM inspector present during the plug and abandonment operations did not even document this very important information in his report." Fenton asked, "Is it any wonder that those of us who live near this development have lost faith in the regulatory agencies that seem to be assisting Encana and other operators in a cover up of what has happened in the Pavillion gas field?"

According to consulting hydro-geologist, Mike Wireman, "Natural gas can occur under high hydraulic pressure in the subsurface. This is due to the, often very thick, sequence of rocks that overlie the

.....continued on page 8

DEQ Denies Ramaco's Coal Mine Permit

In response to an Environmental Quality Council (EQC) decision finding major deficiencies in Ramaco Carbon's permit application for its proposed Brook Coal Mine in Sheridan County's Tongue River Valley, the Department of Environmental Quality (DEQ) formally denied the permit application on October 11th. Under the Wyoming Environmental Quality Act, DEQ had 15 days to issue or deny the permit application after the EQC Order was approved on September 27th. After the EQC decision, Ramaco publicly asked the DEQ to go ahead and approve the permit application—something Powder River believes would have been contrary to the law. Instead, DEQ told Ramaco the agency could not approve the permit application "in its present form."

The DEQ defended the company's permit application during a seven-day hearing in May and June, but in the end was forced to comply with the EQC Order. The EQC Order was firm and conclusive, identifying both procedural and substantive deficiencies in DEQ's permitting process. On the substance side, the EQC echoed the testimony of our expert witnesses on hydrology and subsidence, holding that Ramaco's permit application did not meet legal requirements to prevent damage to water systems, failed to address potential damage from subsidence, and would not adequately protect neighboring homeowners from blasting damage. On the process side, the EQC held that DEQ must complete a Cumulative Hydrologic Impacts Assessment

(CHIA) prior to declaring the permit complete—a core requirement of our nation's strip mine law being that the proposed coal mine must prevent material damage to the hydrologic balance. This ruling will ensure that CHIAs will be available for public notice and comment, which will be a major improvement to Wyoming's coal mine permitting process.

In response to the EQC's decision, Tongue River Valley resident and Powder River member Joan Tellez said, "We are thankful the EQC made the right decision to protect our land and water. This process wasn't easy for us, but we felt we had to make our concerns heard, and we're glad that the EQC listened to us. We will continue working to make sure that our land and water remain preserved."

According to a Ramaco press statement after the DEQ decision, the company is now interested in resubmitting its permit application rather than appealing the EQC's ruling as they had previously threatened. In their October 11th letter announcing the decision, DEQ expressed an eagerness to meet with Ramaco as soon as possible in order to outline how they might allow the company to "supplement the application" to remedy the deficiencies identified by the EQC.

Ramaco also seems intent on proceeding with its proposed carbon fiber manufacturing and research facilities on the banks of the Tongue River, arguing that these projects will benefit Sheridan County and Wyoming, when in reality, the company does not have the permits

.....continued on page 10

Fortification Advisory Committee

Recommends Protection

At their September meeting, the Fortification Creek Wilderness Study Advisory Committee unanimously recommended that the 12,500 acre Fortification Wilderness Study Area be protected into the future, but not designated as a Wilderness Area. The ten citizens serving on the committee are from Campbell, Johnson and Sheridan counties and they represent the interests of agriculture, conservation, sportspeople and energy. Powder River member Dave Clarendon serves on the committee and represents conservation interests.

The process is part of a larger statewide effort called the Wyoming Public Lands Initiative which was launched by Governor Mead and the Wyoming County Commissioners Association in 2016 to determine the future of the 42 Wilderness Study Areas in Wyoming. The process is a collaborative, county-led effort with the goal of a Congressional legislative package that will determine the final designation of the Wilderness Study Areas in Wyoming; only Congress can create or remove areas from wilderness protection.

The Fortification Advisory Committee recommendation for the future management of the Fortification Creek Wilderness Study includes the following protections for the unique area:

- Allow no new surface disturbance and no new permanent roads;
- Remove wilderness designation;
- Maintain existing characteristics;
- Maintain existing uses, including grazing, hunting and recreation;
- Allow reasonable fire suppression, weed and pest control, wildlife/stockwater or emergency needs;
- Prevent motorized or mechanized vehicles without permits;
- Create a wildlife habitat management priority
- Recommend exchange of the State Land section within the Wilderness Study Area for BLM land and minerals outside the area.

Comments from the public at the end of the meeting included recommending that the committee consider adding some adjacent public lands to allow BLM a greater management area, but that process may be more difficult to push through. Powder River and our members support the committee's recommendations to protect the area into the future, even without the Wilderness label.

.....continued on next page

Federal Oil & Gas....Continued from page 1

The petitioners argue that the requested reforms won't ultimately harm, slow, or stop energy production on public lands. Instead, they anticipate that the proposed changes will lead to oil and gas leases that are economically feasible to develop ending up in the hands of diligent and competent producers of oil and gas, rather than being held unused by speculators, with no benefit to the American people.

The petition asks Interior to meet its legal obligations to manage public lands for multiple uses and ensure a fair return of revenues to the public in the following ways:

- Charging higher, market-tested royalty rates (such as those used by states and the private sector), instead of the inadequate 12.5 percent rate.
- Increasing rental rates on federal leases to a level sufficient to incentivize oil and gas production so that the percentage of federal leases that produce energy will rise well above the current, unsatisfactory levels (e.g., only 50 percent in the Rocky Mountain states).
- Increasing minimum lease bids, as recommended by the Congressional Budget Office, to deter companies from purchasing leases for speculative purposes only.
- Updating bonding requirements to reflect current costs associated with reclamation and restoration of lands used for oil and gas production.
- Reforming lease suspension practices to establish rigorous standards guaranteeing that undeveloped oil and gas leases are either diligently placed into production or cancelled so that the land can be managed for other beneficial uses.

- Updating lease reinstatement practices to require consistent and higher standards of justification for reinstating lapsed leases, with minimal tolerance for defaults on rental payments.
- Stopping the leasing of lands with low potential for oil and gas production and managing those lands for other purposes of greater benefit to the public.

The combination of these policies will generate millions of dollars annually for the American people, as well as states and local communities that benefit from federal oil and gas production. As numerous economic and fiscal studies indicate, higher royalty rates will generate large amounts of additional revenue with negligible impact on production. Indeed, several of the other changes proposed here will ultimately incentivize more timely production of oil and gas on federal lands, which raises the prospect for a net increase in energy production overall.

And with the adoption of these recommendations, federal lands will be used for more diverse purposes as the waste and neglect of lands with dormant, speculative leases decline. Better management of public lands will result in better uses in the right places, including renewable energy, recreation and conservation.

The petition was submitted under the Administrative Procedures Act, which gives citizens the right to request action from a federal agency to issue, repeal, or amend a rule, and entitles them to a prompt response.

**Jill Morrison,
Powder River Staff**

12th Annual Harvest Celebration Brings Homegrown Food, Fun, and Music to Sheridan

On September 9, over 100 Powder River members, family, and friends gathered at the Sheridan Fairgrounds for an evening filled with local, food, brews, music, and dancing.

The celebration opened with a homegrown dinner consisting of roast pork purchased from Shiloh Valley Family Farms and prepared by Bob LeResche, beef brisket from Powder River Angus prepared by Nancy Sorenson, and a variety of seasonal salads, side dishes, and desserts prepared by Powder River's generous members and volunteers. Dinner guests were also invited to wash down their delicious dinner with local brews from Luminous Brewery and wine or cocktails provided by the No Name Bar.

After dinner, guests were treated to our famous "Pies by Guys" auction which featured delicious pies made by John Buyok, Roger Davidson, John Huss, DJ Purcell, Casey Quinn, Roger Sanders, and Kentz Willis. This year's auction brought in a whopping \$2,380 – our best year yet!

Winners were also drawn for the 2017 Harvest Celebration

raffle. Cheryl Gerard won 25 lbs of beef donated by the Barlow Ranch, Bruce Lawson won the organic heirloom vegetable basket provided by Prariana Farms, and Carol Forester won the Alaska salmon donated by Marcia Westkott and Stacy Page.

The evening concluded with downhome music by Mark Paninos and Friends. Guests enjoyed do-si-do-ing in time with Courtney Caplan's dance calling under an elegant ceiling display of lights and tulle designed by Donna Jo from Little Willow Traders.

Powder River's Harvest Celebration is a unique event in that it showcases the variety of local foods found right here in Sheridan County and is driven and lead by our board and general membership. On behalf of Powder River's board and staff, we would like to thank our dedicated members and volunteers for another successful year!

**Megan Taylor
Powder River Staff**



Fortification....Continued from page 4

Johnson County Commissioner, Bill Novotny agreed to take the committee's recommendation to the Buffalo BLM for their review.

The final Fortification Advisory Committee meeting is scheduled for Wednesday November 8th at 6 p.m. in the Campbell County Commissioner's chambers. The committee will finalize their recommendation and send it on to the Campbell and Johnson County Commissioners for approval followed by submittal to the Governor and

our congressional representatives for final legislation. Information about the Fortification committee can be found at: <https://www.ccgov.net/1651/WPLI-Fortification-Creek>

**Jill Morrison
Powder River Staff**

Powder River Tours Grasslands Oil and Gas Waste Disposal Facility

a seven-acre solid waste landfill currently in use.

Grasslands does not currently accept out of state waste or Technologically Enhanced Naturally Occurring Radioactive Waste (TENORM), and, according to Mr. Roth, there are no plans to accept either of these at the facility in the future. All vehicles drive through a radiation detector as they enter the facility to ensure they are in compliance with this policy.

Roth claimed that Grasslands cannot treat waste water from fracking operations because the industry does not reveal all the ingredients, even to waste disposal facilities. "We can't guarantee the water is clean if we don't know what we're looking for," he said. Evaporation is, therefore, the only option for treating the water. Solid materials are kept for long-term storage.

When possible, hydrocarbons are captured and "recycled", or put back into productive use. Most recaptured hydrocarbons come from the water treatment area. Nets are employed to keep wildlife out of the water until initial hydrocarbon removal has taken place. At that time, the water is transferred to holding ponds without nets and allowed to evaporate.

The facility is permitted for eight additional water pits and up to 67.2 acres of lined disposal space. Additionally, the facility is permitted to drill two deep injection storage wells, though these are not presently in place. Landfill capacity is estimated at 10,399,000 cubic yards and the life of the facility is expected to be around 69 years.

During the next couple of years, Republic Services intends to construct two to three additional water disposal pits. An additional solid waste disposal cell will be added in the spring of 2018. This will increase the total acres in use to 14.

At this time, the facility is charging 35 cents per barrel to take produced/frack flow back water. They charge 45 cents per barrel for fresh water, which they sell to the industry for fracking purposes.

The staff at Grasslands/Republic Services was extremely helpful and answered all of our questions without hesitation. They were transparent about their plans for the future. Powder River has been invited to tour the facility again in the spring during the construction of their new disposal cell. At that time, we will be able to see how liners are placed and what other precautions are taken to prevent leaking and contamination of nearby land and water resources.

Hesid Brandow
Powder River Staff

Sheridan Rallies for Public Lands

Powder River co-sponsored a rally for public lands on national Public Lands Day, which is held annually on the last Saturday of September. We helped Sheridan County residents write postcards to their state representatives asking them to support a Wyoming Public Lands Day and to oppose efforts to privatize or transfer our federal public lands. Powder River is working with a coalition of groups to get legislation introduced at the Wyoming legislature in February 2018 to achieve these goals.



Powder River Supports Clean Power Plan

On October 9th, EPA Administrator Scott Pruitt announced that his agency will repeal the Clean Power Plan. The Clean Power Plan was finalized in 2015 as the first-ever set of standards to reduce carbon pollution from the nation's power sector, including coal-fired power plants.



Christy and Paul Gerrits in front of their solar array

In response to the EPA's action, Christy Gerrits issued the following statement on behalf of Powder River.

"We are disappointed that EPA chose to prioritize marginal corporate profits over public health. The Clean Power Plan was grounded in good science and good law, and it was supported by citizens and businesses from around the country, including here in Wyoming. Reducing our carbon pollution to safe and sustainable levels is really the only way forward, and we hope EPA moves forward with a replacement plan as soon as possible. In the meantime, EPA's action won't stop the momentum behind clean energy. Utilities will keep building and using clean power, as wind and solar resources are not just the energy of the future, but are the energy of today."

Powder River Challenges the NRC in Court

Our six-year-long case contesting the Nuclear Regulatory Commission's (NRC) license for Strata Energy's in situ leach (ISL) uranium project in Crook County came to a head on October 10th. Powder River Staff Attorney Shannon Anderson appeared before the D.C. Circuit Court of Appeals to argue that NRC violated the National Environmental Policy Act (NEPA) by failing to consider the probable impacts to groundwater resources from Strata's mine.

If successful, the case would set a precedent and would require NRC to comply fully with NEPA's twin mandates of informed agency decision-making and public disclosure. Along with our partner in the case, the Natural Resources Defense Council, Powder River contends the NRC violated these mandates by issuing a license to Strata before it considered all of the probable impacts of long-term groundwater contamination.

No previous ISL uranium mine has restored groundwater to "pre-mining conditions," meaning a certain level of contamination from uranium and other toxic heavy metals remains. Through the administrative

hearing process, we argued that NRC had to consider the certainty that Strata would also fail to restore groundwater and would require an Alternative Concentration Limit (ACL), which NRC uses to sign off on restoration efforts—and to allow the company to keep elevated levels of pollution in the aquifer. The NRC failed to consider the likely level of pollution—and the consequences to groundwater resources—through its environmental impact statement, and instead submitted information at an administrative hearing after the license was issued.

The D.C. Circuit judges seemed to agree that this after-the-fact analysis violated NEPA's requirement that important environmental impacts information be considered prior to an agency's decision. However, they also seemed to question whether that violation necessitates a remand and reversal of Strata's license. We expect a decision from the D.C. Circuit soon.

**Shannon Anderson
Powder River Staff**

Taxpayers Deserve a Fair Return From Our Public Coal Resources

Editor's Note: the following op-ed, written by University of Colorado Law Professor Mark Squillace, was published in the Casper Star Tribune on October 6th.



This week in Washington, D.C., the department of the Interior convened a select group of industry executives and state government officials to serve on a Royalty Policy Committee.

The committee will advise the Trump administration on the need for new policies on mineral royalties and other key mechanisms for assuring that American taxpayers get the full value for the minerals sold from our public lands. Recent reports from both government and private organizations suggest that the public has forsaken millions and perhaps billions of dollars in revenue that would have been generated had the government demanded fair value for these minerals as law requires. Reform is long overdue.

Lagging federal policies are a big problem for the oil and gas program. The 12.5 percent royalty paid for oil and gas leases is well below market rates. Texas commands a whopping 25 percent for its oil and gas resources and federal offshore leases receive 18.75 percent. But the problems with the federal mineral revenue program are especially acute for our federal coal resources. For far too long, the Interior Department has allowed the coal industry to dictate the terms of federal coal leasing, and the industry has used its power to acquire vast tracts of federal coal at rock-bottom prices and virtually without competition. By the government's own estimates the coal industry has locked up enough federal coal reserves to last 20 years at current production rates. And if coal production continues to decline, as seems likely, then federal coal reserves might last well beyond the current 20-year projection.

Coal leasing is carried out through what is supposed to be a competitive bidding process. But the government allows the industry to design the tracts that are put up for lease and, not surprisingly, they design tracts adjacent to their existing coal properties and not big enough to attract another bidder. They rarely fail to scare off the

competition. Leases in the coal rich Powder River Basin rarely sell for more than \$1/ton. Often they sell for a tiny fraction of that. The government insists that it receives fair market value, but it refuses to release the details of its analyses, and how can anyone possibly know the fair market value of their coal properties when time and again they receive only one bid. And it is frankly hard to believe when coal can be produced at the mine mouth for less than \$10/ton but sold on the open market for several times that amount.

Royalty rates for coal raise another issue under the federal coal leasing program. These rates are nominally set at 12.5 percent for surface coal and 8 percent for underground coal. The Interior Department has the discretion to raise those rates but has never done so. Moreover, Interior can actually reduce royalties if particular companies persuade the agency that they need royalty relief to maintain a viable coal mining operation. Since 1990, Interior has used this provision to reduce the royalty on more than a third of all federal leases. The standard royalty for federal coal leases in North Dakota is a whopping 2 percent! Headwaters Economics has estimated that these royalty reductions have cost taxpayers \$294 million over a 24-year period. To make matters worse, Interior has essentially allowed the industry to perpetrate a fraud on the U.S. Treasury by allowing the companies to pay royalties on the first sale of coal to a wholly owned subsidiary. No one seriously believes that these sales are made for the true market value. So, it is fair to ask why is Interior leasing coal for mere pennies per ton, reducing royalty rates, and then allowing royalties to be paid on the first non-arms-length sale? The Royalty Policy Committee should demand answers.

Direct revenue losses tell just one part of the story. Coal imposes significant external costs on public health and the environment that are not fairly accounted for in the leasing process. Why not raise coal royalty rates to better reflect at least some of these external costs and ensure that coal competes with other energy sources on fairer terms.

The Royalty Policy Committee faces an important challenge. It must identify and recommend reforms that can help ensure the fair return from our public mineral properties that we have been denied for too long. For the sake of taxpayers, the federal government, and the states that share equally in the revenues generated from our considerable mineral wealth, let's all hope that the committee is up to the challenge.

Pavillion....Continued from page 3

gas deposits. Gas that occurs in deposits under high pressure will move readily along any available subsurface pathway. Degraded casing or annulus cement in gas exploration and production wells provide such pathways. Gas under high pressure will move readily upward along these pathways and can then move horizontally into shallow aquifers used for stock and domestic purposes."

These new developments came to light in September during recent plugging activities by Encana in the Pavillion field. The ongoing investigation by the state into contamination from unlined production pits, inadequate production well construction and high subsurface gas pressures, as well as the ongoing WDEQ investigation of contamination

in domestic water wells, continue to point to serious and widespread soil and groundwater contamination problems in the field. Residents are very concerned that drinking water wells have been contaminated due to casing failures and subsequent gas migration into drinking water aquifers, along with leaking unlined pits. These issues continue to be a significant problem and demonstrate the need to hold Encana and other historic operators liable for remedying the environmental damage and providing water replacement for impacted households.

**Jill Morrison
Powder River Staff**

Strong Wind and Golden Sunlight: Renewables in Wyoming



Wyoming has been blessed, and burdened, with an abundance of energy resources. The state has long been known for its extractive resources, which have filled coffers and provided our children with education...but we have also felt the downside of those resources in the form of pollution, contamination and a boom and bust economy that keeps us always on our toes.

It turns out the energy state has other energy resources at its disposal. These resources may provide a way to transition Wyoming's economy from fossil fuels without moving entirely away from the energy sector. Strong winds and an abundance of sunlight poised Wyoming to be a pivotal player in the new energy economy.

Harnessing the Wind

As anyone who lives here knows, Wyoming has some of the best wind resources in the nation. We also have some of the best wide-open views in the nation. While wind promises to be a potential revenue source for Wyoming's treasury, the wild, wind-swept landscape is a priceless treasure. Additionally, transmission of energy produced in Wyoming to states with high demand remains a daunting deterrent to large-scale installations. A swirling debate has emerged about the opportunities and drawbacks that wind creates in Wyoming. How the winds will blow is, for now, anyone's guess.

Green Sunlight

Solar energy is less contentious. Solar installers in the state have seen installations increase as prices have dropped in recent years. Powder River has been in contact with solar owners across the state to



discuss their solar installations. Again, and again, solar owners report that there are no negatives to installation. While every situation is

different, smaller systems can pay for themselves in savings in as few as five years, and are warrantied for around 20 years.

People love solar energy for two reasons: It is green, and it is green. The first green refers to the environmental benefits of solar, and the second green refers to savings. For some, price is not an issue they are concerned with. For others, price is the primary driver of the decision to install solar energy. Either way, solar is popping up across the state at an increasing rate.

Incentives

Currently, a federal tax credit is offered that allows solar installers to claim 30% of the price of their solar array each year on their tax return. In 2020, the amount that a solar owner can claim will decrease, and will continue to decrease annually thereafter. The tax incentive for solar power will sunset in 2022 unless it is extended at that time.

The United States Department of Agriculture (USDA) Rural Development program offers a grant through their Rural Energy for America Program (REAP) that is available to agricultural and small business owners. The grant pays up to 25% of the cost of purchasing and installing renewable energy systems on a ranch or business.

There are no state level incentives currently in place for solar power installation, but owners say that the savings they experience on their energy bill, and the free energy they get once their installations are paid off, are their own form of incentive.

What is Needed?

Wyoming has net metering, which allows extra energy produced to flow back to the grid. Solar owners can bank extra energy as credits to be applied to future bills when production is lower in the winter. These solar energy banks, however, are reset in January. At that time, solar owners are paid for the energy in their bank at a bulk price (much lower than what a consumer pays for energy). Solar owners would like to see the reset changed to spring so that they can use more of their banked solar energy during darker months.

Currently, Wyoming does not allow community solar installations. Community solar would allow neighborhoods or other groups of people to install an array of solar panels jointly owned by that group. This would allow panels to be installed somewhere other than the property a person resides on and still utilize solar power. For many who do not have good sun on their property, allowing this option would open up the possibility of solar power.

A program called Property Assessed Clean Energy (PACE) exists at the federal level to assist with the upfront costs of solar installation. Wyoming has PACE-enabling legislation in place, but has not developed a program for implementation at this time. PACE allows homeowners to repay improvement costs from installing solar power over a period of 10 to 20 years. Improvement costs are tied to the property and paid as an addition to annual property taxes. A commercial PACE program also exists for non-residential installation, though the details of that program are somewhat different.

Conclusion

In Powder River's discussions with solar users, it has become clear that the benefits of installing solar far outweigh any drawbacks. Users, in fact, often have difficulty coming up with downsides to the systems

.....continued on next page

Strong Wind.....Continued from page 9



they have installed. Modern panels are predicted to last anywhere from 30-50 years, payback time is less than 10 years for most systems, and savings are both environmental and financial.

When hail damaged Brad Mohrmann's roof in Sheridan, his panels were unharmed. The panels actually protected the portion of roof they were mounted on from damage. The LeResche ranch near Clearmont is completely solar powered, including water pumped more than two miles for livestock and gardening. The Barlow Ranch outside of Gillette also uses solar powered pumps, as well as solar heated hot water. Hollis Hackman summed up the feeling of solar users in Wyoming when he said, "There's just no downside to it that I've been able to figure out".

Hesid Brandow
Powder River Staff

DEQ.....Continued from page 3

to complete any of its projects, and it is still not clear what the connection between the proposed two million ton-per-year mine and the proposed facilities would be.

In a statement to the press on October 12, Powder River Board Member Gillian Malone responded to Ramaco by saying:

"Ramaco is putting the cart before the horse by touting the 'economic enhancement and job opportunities' of their 'coal/carbon, innovation, manufacturing and energy technology' when the permit application is about a coal mine. It's important to remember that the permit application the EQC remanded as deficient on a number of grounds—including the serious risk of ongoing subsidence threatening residents, recreationists and

coal miners alike, and the potential for water well failure and disruption of the delicate hydrologic balance in the Tongue River Valley—is for a coal mine, not a research center or a carbon fiber manufacturing plant. As with previously released statements, Ramaco is spinning a tale to woo the public on what are currently unfulfillable promises."

Stay tuned as this story is far from over. But no matter what happens, Powder River will continue to watch the process and do all we can to protect the historic and ecologically important Tongue River Valley and the people who live there.

Shannon Anderson
Powder River Staff

Shop and Support Powder River!! Please Clip, Shop, Share the Word and Repeat





Powder River Basin Resource Council



45th Annual Meeting

Saturday, November 4, 2017

Reclaiming Wyoming and Diversifying our Economy

Sheridan Holiday Inn

Keynote Panel: *A Conversation about Wyoming's Energy & Economic Future*

- **Mike Madden**, Economist and Chair of the Wyoming House Revenue Committee
- **Mark Haggerty**, Economist with Headwaters Economics
- **Rob Godby**, Director of the Center for Energy Economics and Public Policy at the University of Wyoming

Moderated by **Dustin Bleizeffer**, freelance journalist who has covered energy and natural resource issues in Wyoming for 18 years

2:00 p.m.	Membership Meeting (Members Only)
4:00 p.m.	Social Hour, Music, and Live and Silent Auction
7:00 p.m.	Dinner and Keynote Panel

Members \$45 Non-Members \$55 Non-members receive a 1 Year Membership to Powder River
Pre-register by October 27, 2017 to guarantee dinner, call 307-672-5809

Annual Meeting Raffle

Raffle Prizes

- 1st "Battle Marked Warrior"
Ellen Dudley Original
- 2nd \$100 Gift Card to
Frackelton's in Sheridan
- 3rd Wild Alaskan Salmon

Tickets
\$25 Each or 5 for \$100
Drawing December 8th

Raffle tickets available
by calling 672-5809



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Original Oil on Canvas



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Encouraging Responsible Development Today... _____ For Tomorrow...

In this Issue

Powder River Pushes for Federal Oil and Gas Reform.....	Pg 1
Regenerating Landscapes Soil Health Workshop Features Gabe Brown.....	Pg 1
Message from the Chair.....	Pg 2
Pavillion Area Landowners Raise New Concerns.....	Pg 3
DEQ Denies Ramaco's Coal Mine Permit.....	Pg 3
Fortification Advisory Committee Recommends Protection.....	Pg 4
12th Annual Harvest Celebration.....	Pg 5
Powder River Tours Grasslands Oil and Gas Waste Disposal Facility.....	Pg 5
Sheridan Rallies for Public Lands.....	Pg 6
Powder River Supports Clean Power Plan.....	Pg 7
Powder River Challenges the NRC in Court.....	Pg 7
Taxpayers Deserve a Fair Return From Our Public Coal Resources.....	Pg 8
Strong Wind and Golden Sunlight: Renewables in Wyoming.....	Pg 9
Shop and Support Powder River!.....	Pg 10
45th Annual Meeting, Sheridan.....	Pg 11

Save the Date

2017

- November 4 Annual Meeting/Auction, Sheridan
- November 10 Soil Health Workshop w/Gabe Brown, Sheridan
- December 8 Raffle Drawing

Planned Giving and Estate Planning Gifts: Don't Forget Powder River Basin Resource Council

The Powder River "family" has been thinking a lot about the future lately, because, as the saying goes, "We aren't getting any younger." We want to make sure this organization remains viable for future generations in the same way it serves today's members. For this reason, we are inviting you, our extended family of members and donors, to consider including Powder River in your estate plans.

More specifically, we are asking that you consider designating Powder River Basin Resource Council as a beneficiary in your will. Your gift will create a living legacy allowing Powder River to continue our work far into the future and helping to ensure that Wyoming remains the place we know and love for our kids and grandkids.

As one long time Powder River member, Digger Moravek stated, "I want to raise Hell long after I'm gone." You, too, can do this with a

generous bequest to Powder River.

Please consult your legal and financial advisors about how you can use a variety of estate planning tools to support Wyoming's most effective grassroots member organization, and how you might benefit. For example, there is a tax exemption for estate tax rates of up to \$5 million.

Thank you! If you have any questions, please give Powder River a call at 307-672-5809

**Powder River Basin Resource Council
Fundraising Committee**

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