

University of Colorado Law School

Colorado Law Scholarly Commons

Coalbed Methane Development in the
Intermountain West (April 4-5)

2002

4-4-2002

CBM Development from the Perspective of Wyoming Counties

Mickey Steward

Follow this and additional works at: <https://scholar.law.colorado.edu/coalbed-methane-development-intermountain-west>



Part of the [Business Administration, Management, and Operations Commons](#), [Natural Resource Economics Commons](#), [Natural Resources and Conservation Commons](#), [Natural Resources Management and Policy Commons](#), [Oil, Gas, and Energy Commons](#), and the [Water Resource Management Commons](#)

Citation Information

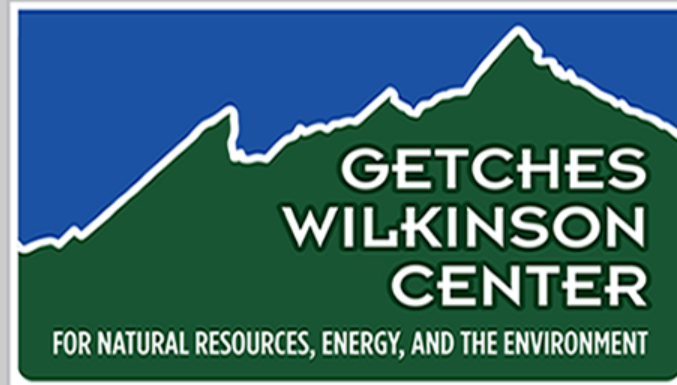
Steward, Mickey, "CBM Development from the Perspective of Wyoming Counties" (2002). *Coalbed Methane Development in the Intermountain West (April 4-5)*.

<https://scholar.law.colorado.edu/coalbed-methane-development-intermountain-west/26>

Reproduced with permission of the Getches-Wilkinson Center for Natural Resources, Energy, and the Environment (formerly the Natural Resources Law Center) at the University of Colorado Law School.



William A. Wise Law Library
COLORADO **LAW**
UNIVERSITY OF COLORADO **BOULDER**



Getches-Wilkinson Center Collection

Mickey Steward, *CBM Development from the Perspective of Wyoming Counties, in COALBED METHANE DEVELOPMENT IN THE INTERMOUNTAIN WEST* (Natural Res. Law Ctr., Univ. of Colo. Sch. of Law 2002).

Reproduced with permission of the Getches-Wilkinson Center for Natural Resources, Energy, and the Environment (formerly the Natural Resources Law Center) at the University of Colorado Law School.

COALBED CHARACTERISTICS, ROCKY MOUNTAIN BASINS							
Basin	Coal Rank	Gas Content SCF/ton	Area (sq. mi.)	Max. Seam Thick.	Gip (TCF)	Cum. BCF 1998	#CBM Wells
Powder River	Sub-bituminous B	<100	25,800	200'	30	55	1,500
San Juan	Bituminous Med. and low volatile Sub-bituminous	100–500	7,500	40'	50	5,873	>3,000
Raton	Bituminous High volatile C Med. volatile	200–400	2,200	10'	32	38	~225
Utah (Ferron)	Bituminous High volatile B	200–500 (400)	290	10'	5	100	210

CBM DEVELOPMENT FROM THE PERSPECTIVE OF WYOMING COUNTIES

MICKEY STEWARD, *Coalbed Methane Coordination Coalition Coordinator*

I am the coordinator for the Coalbed Methane Coordination Coalition, which is a unique organization developed in Wyoming for a purpose that is different depending on who you talk to. So today, to start my description of the coalbed methane coordination coalition, I brought the memorandum of understanding that created the coalition. The coalition was constructed between the state of Wyoming and a joint powers board that is made up of five county commissioners and two conservation district supervisors. And if I had been smart, when I found out the constituency of the board, I would have known right away that this was a job that was going to have controversy associated with it, because I have five government people and two technical information transfer people, and that accurately reflects the purpose of the Coalbed Methane Coordination Coalition. And let me read to you exactly how we were constituted.

The purpose of this memorandum of understanding is to provide for participation between the parties in addressing coalbed

methane issues. The participation will be facilitated through communication, coordination, and cooperation between the State and the board for the common goal of reasonable and responsible coalbed methane development and protection and preservation of water supplies in Wyoming.

The board will employ a coalbed methane coordinator (you can switch that phrase to sacrificial goat). The board will employ a coalbed methane coordinator to facilitate participation including participation in the preparation of the Powder River Basin oil and gas development, environmental issues and environmental assessment.

So we were created for the specific purpose of assisting in the reasonable and responsible development of coalbed methane and also to review the environmental impact statement. We are also unique in that our board has some industry advisors and participants who have been very brave and very helpful in furthering our cause, but early on, we recognized a split role was a difficult one for the industry, legislatively. So, to wholeheartedly support this, we have a very dynamic interaction there.

Let me continue by saying that the responsibilities of the coalition, actually including the board and its employed contractor, shall compile information and provide that information to promote a better understanding of coalbed methane issues. So that is the essence of the Coalbed Methane Coordination Coalition.

Our five counties, are Campbell, Johnson, Buffalo, Gillette, and Sheridan, which comprise the outlines of the Powder River Basin, which you all have seen in every presentation till mine. I would like to emphasize that we serve a town and country population of about 70,000 people. The project area is 8 million acres, of which about 4 million are actually forecasted to be under development. We also represent a variety of industries. We have a very large coal industry. We have a smaller and not so active uranium industry. The transportation industry, to move the energy out of the basin, and we have the coalbed methane industry. There are, in the four million acres, about 1,000 ranches that vary in size. And each of these constituents has a very different viewpoint and very different goals and objectives.

We also have been sensitive to the fact that given the nature of development, there are numerous transboundary issues affecting conditions at some distance from the originating point of the activity, and we see that both at the state and regional levels. The split estate has been chewed on for a little bit here, and it also comes into play with transboundary issues. I can tell you, from the involvement of the split estate as well as the number of stakeholders and the number of agencies, it has been a very big challenge to implement the goals of the Coalbed Methane Coalition.

That being said, I feel that we've been extremely active in information transfers, and we've also taken some heat off the government agencies in the sense that I believe a number of people come to our coalition for information first. And we use a process of providing information, looking for information, and then try to direct the questioner in a logical and reasonable direction with their concerns.

One of the things when we think about information transfer, it's important to recognize that we also do quite a bit of interagency information transfer between both agencies and between state, Federal, and local government. And sometimes I feel we do a lot of semi-important tattling, but yet that flow of information is extremely impor-

tant, given the fragmented responsibilities of the different agencies involved in the coalbed methane development.

We do have a website. Our aspiration is to have as good a website as the State Geologists and the Oil and Gas Conservation Commission, and we do link to those websites. We also do numerous presentations and personal interactions. Since the Coalbed Methane Coordination Coalition started at the beginning of last year, we have had personal interactions with about 5,000 people, either individually or in group settings. We've also had about 4,000 hits on the website, which isn't anything to get real excited about; but on the other hand, we are seeing some utilization of our organization. And we are extremely interested in linking with other sites so people can get a grip on coalbed methane development as well as they can.

I'll pause here for just a minute and remind you, if you don't know, that Wyoming is very big on property rights and individual rights, and we're very pro-development. And we feel that we can be all three of those things and still protect and preserve the multiplicity of resources that we have in our area. This is a very rich area, and I think that's been sufficiently emphasized today. In my role as coordinator, I have to tell you that you must take the philosophy and points of view of numerous people into account as you're trying to move forward. And I can tell you that in the Powder River Basin, with the three larger municipalities that we have, Buffalo, Sheridan, and Gillette, you have three very distinct points of view and you cannot use a one-size-fits-all approach; yet, at the same time, you need a certain degree of consistency in order to move forward in an orderly fashion.

So what we've done for the past year is been a complaint department in some respects, and we've been on a very high learning curve. In fact, I learned a number of new things today in the presentations that were made. And we have also been able to provide some information in our own right. But the direction that we're moving continues to be somewhat schizophrenic. We are information transfer and we are also governors; that is by the nature of our board make up. One of our perplexities has been how to reconcile these two very different yet closely related items. And I want to share with you this morning, then, the direction that the board is taking with the Coalbed Methane Coordination Coalition and

then close with a few thoughts on some of the interesting challenges that I personally have seen as the coordinator for this coalition.

The board is making some recommendations as to the direction that they feel things need to go in the Powder River Basin. Their primary recommendation at this point in time is to create or modify the existing joint powers board to clearly distinguish between government and information transfer. This is causing some heartburn among numerous entities, and it makes the job very difficult that that distinction is not clearly made.

The second recommendation is that we need a long-range resource plan for the region as part of the overall energy plan for the state that is currently under development. And the important item with respect to that long-range plan is that we must have rapid response to developing issues. The one hallmark with the Coalbed Methane Coordination Coalition, in addition to the multiplicity of stakeholders, is that things change very quickly.

The third recommendation the board is considering making is that we need to be sure that we incorporate the diversity of stakeholder interest. That's very difficult because there are so many stakeholders, and that means that we all need to be on our best behavior and refrain from the easy to use tendency to demonize what we regard as the opposition. If there was ever a need for collaborative tolerance, the coalbed methane development is certainly it.

We need to create and maintain long-term economic opportunity and quality of life. We need to preserve and enhance the productive capacities of any development that creates new wealth. New wealth is hard to come by. I worked in Denver as a consultant for a year, and what I mainly saw is that we recycled money that somebody else had made for us. And I think the Powder River Basin is a prime example of how money is made by agriculture, by extractive industries, such as the mineral development, and by logging and by things like hunting and recreation. Those are all valuable developments that create new wealth, which we need.

We need to create consistency in management objectives, as they're needed from the very most individual action at the surface use agreement level through the conservation district plan, through city plans, through county plans, the state basin group plans, and the Federal government. There is a certain amount of common ground and consistency that is needed throughout all those types of

management exercises in order for us to achieve our protection, enhancement, and management of the landscape.

We need to provide a level playing field. We simultaneously, in the Powder River Basin have the most heavily regulated mineral extraction industry, which is the coal industry and the least regulated—although that's all a question of relatives—industry in the coalbed methane extraction industry; and that is providing us with some real challenges.

We need to develop a means of impact funding in advance of development for resources, particularly the county roads and law enforcement. Coalbed methane development, as well as any agriculture, recreation, or conventional oil and gas that depend on the county roads for their well-being has to be serviced in order to do that, particularly in the counties that have not yet experienced the tax benefits of development. They need some place to go to the bank and get an advance so they can prepare for the services they need to provide.

We need to make accessible a funding source for mitigation as needed. As this development deepens, spreads, and prolongs, we, the CBM industry, cannot be expected to be responsible for all mitigation measures that might be needed. So we need an alternative. We need to accelerate research into optimization of resource extraction and landscape production activity. We must have more data, because more data means less controversy. We need to apply increased amenities for residents without creating an unsupportable future burden for government. We're talking about things like park services and recreational facilities. We need to do that because those people who live in the Powder River Basin are providing a service for the United States, and they are living in what one of their own county commissioners called a barren environment. And we must recall that some of the needs of those residents must be met as part of this development.

So as you can see, the board is moving, is continuing with the information transfer as we've begun. But the board, after 14 months of interaction, has also seen the need for government in certain aspects, and we feel that the Coalbed Methane Coordination Coalition is definitely going to continue its metamorphosis and change. But it's important, I think, to make more clear that differentiation between the government aspect and the information transfer aspect.

Finally, because I can't resist it and my light hasn't turned red yet, water has occupied a lot of our attention in the Powder River Basin. And I'm not in total concurrence with what the gentlemen have said so far this morning. However, I'd like to point out four things. There is a change in the dynamics of the receiving environment that we need to accommodate. We now have short reaches of perennial flows in heretofore, ephemeral and very flashy landscape. We produce no large quantity of water from every well. But from the standpoint of livestock production, we typically produce enough water per well per day for about 500 head of cows when the forage resource in the well area is about five head per day. And so the water needs to be put to even better uses than it has so far been put in order for us to optimize our water resource. And I really like the concept that Mr. Day had about considering the infiltration and recharge an important value from that standpoint. The third point I'd like to make is that water cannot be separated from its receiving environment—as we forecast the benefit and utility of that water that is receiving it.

AIR QUALITY AND CBM DEVELOPMENT

BOB YUHNKE, *Attorney At Law*

I'm going to begin here with the assumption that none of you have read the air quality review or assessment contained in the EIS, which is the only information that we really have about the air quality impacts of the coalbed methane development. I'm going to make that assumption, in part, because even if you asked for the EIS, you would not get the air quality assessment. You'd have to find the small footnote that refers to the air quality assessment. You don't get it unless you ask for it. And then when you get it, you discover that there's a lot of things that are missing, and we'll talk about some of those things later. But first let me focus on what it does say about what the expected impacts will be.

The Clean Air Act divides the world up into nonattainment areas, which we don't have here—those are areas that violate national health standards and areas that do meet the national health standards, which are in turn divided up into what are called Class II areas and Class I areas. And in this part of the world, the Class I areas con-

And finally, with respect to the water, I agree with the observation that the salt levels are not high, but some of those salts come and go with drought and heavy rainfall periods, calcium and magnesium particularly, but the sodium tends to accumulate; and that calls for special management techniques.

So, in closing, I'd like to thank you very much for giving me the opportunity of visiting you a little bit. I think Wyoming is on the forefront of a lot of technical issues and a lot of community involvement and industry interaction issues. And it's very harrowing at times, but it's very exhilarating as well. And I have to extend thanks to everyone that's been willing to participate in the coalition. We grow by people supporting us, and we also grow by people being critical of us. And I think that's what we have to see is a partnership, not always necessarily a positive partnership, but a partnership in order to take best advantage of the resources we've been given.

Thank you very much.

sist of these five wilderness areas along the Continental Divide and the Badlands National Park and one of these caves. Another Class I area, by determination of the tribe, is the Northern Cheyenne Reservation, which was made into a Class I area back in the late 1970s. And is a management tool that the tribe adopted to try to protect its air quality from the impacts of coal development which was happening back in that period. That definitely has an impact on what's going on now with regard to the oil and gas development in the project area.

Now, to give you a quick summary of the results of the air quality analysis, what it shows is the most significant impacts from the emissions from this development, which has to be accounted for in the context of all the other development occurring in the region. In other words, the Clean Air Act does not simply focus on the emission from a particular development or particular source, but focuses instead on the cumulative impacts of all of the activities that produce emissions into a region. And the underlying regulatory program