



# Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

## MEMO

To: CBM Operators

From: John Wagner, Water Quality Administrator 

Date: June 23, 2006

Subject: Wyoming Pollutant Discharge Elimination System (WYPDES) Program, Assimilative Capacity Allocation and Control Process

Over the past several months, the WYPDES Program has been in the process of developing and finalizing an Assimilative Capacity Allocation and Control Process (Control Process). This Control Process is designed to provide protection of water quality standards for the states of Wyoming and Montana by controlling the quantity of total dissolved solids (TDS) and sodium discharged into the Powder River. The process is associated with discharges from coal bed natural gas (CBNG) facilities in the Powder River Basin.

Through the use of predictive models, the WYPDES Program has identified the available assimilative capacity (load) for the Powder River. The modeled load will then be divided into "credits" for TDS or sodium. The TDS or sodium credits will be calculated based upon each CBNG entity's share of mineral lease acreage within the Powder River Basin and the coal volume under the leased acreage.

All discharges from CBNG facilities to a surface water of the state are required to obtain authorization under the applicable individual, general or watershed WYPDES permit. However, discharges must also comply with the conditions of the Control Process. Specifically, if a permitted discharge has the potential to impact the Powder River, credits for TDS and sodium must be available for the operator to use before the WYPDES permit can be issued. The individual and/or general WYPDES permit will clearly define how the credits will be distributed. For a complete description of the Control Process, refer to the "WQD/WYPDES Program Policy, Wyoming Powder River Assimilative Capacity Allocation and Control Process, May 6, 2006." A copy of the document is available on the DEQ website at

[http://deq.state.wy.us/wqd/WYPDES\\_Permitting/WYPDES\\_cbm/downloads/Assimilative%20Cap%20Docs/Final%20Powder%20River%20Assimilative%20Capacity%20Approach%20-3-06.pdf](http://deq.state.wy.us/wqd/WYPDES_Permitting/WYPDES_cbm/downloads/Assimilative%20Cap%20Docs/Final%20Powder%20River%20Assimilative%20Capacity%20Approach%20-3-06.pdf).

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Prior to use of credits, CBNG operators must register their operator of record acreage and mineral lease acreage with the WYPDES Program. Credits are based upon each company's operator of record acreage plus percent of mineral lease hold acreage where there is no operator of record times the calculated coal volume. The registration process will determine the number of credits available for an operator.

In preparation for implementation of the Control Process, the WYPDES Program is requiring that CBNG operators begin the registration process by submitting the following information, preferable in an electronic format that is saved on a CD, to the WYPDES Program.

- 1) Company name, address, contact name, email address, phone number and facsimile number
- 2) An ESRI compatible shape file in a NAD 1983 UTM Zone 13N Projection defining the boundary of the leased area with an attribute table containing the lease name and lease holder name.
- 3) The name and contact information of the employee(s) authorized to revise credit information.
- 4) The following statement, signed by a responsible official or employee of the CBNG company: "Based upon reasonable investigation and/or inquiry of those preparing this document and all attachments, I believe that the submitted information is true, complete and accurate."

Within 90 days of the initial submission of registration information, the number of credits available to an operator will be calculated. The WYPDES Program will then issue a credit voucher for the number of approved credits. It is strongly suggested that CBNG operators begin the registration process as soon as possible. Once the Control Process is implemented, operators who fail to register for credits and have discharges that have the potential to impact the Powder River will not be issued WYPDES permits.

In addition, the WYPDES Program has developed a new Wyoming Pollutant Discharge Elimination System, Application for Permit to Surface Discharge Produced Water from Coal Bed Methane New Discharges, Renewals or Major Modification Form. This form is available on the DEQ website at [http://deq.state.wy.us/wqd/WYPDES Permitting/WYPDES cbm/cbm.asp](http://deq.state.wy.us/wqd/WYPDES%20Permitting/WYPDES_cbm/cbm.asp). The WYPDES Program will be providing a transition period until August 15, 2006 in which an application can be submitted on the old form or the newly revised form. However, after August 15, all applications submitted to the WYPDES Program must be on the new form.

If you have any questions related to the Control Policy, please contact Bill DiRienzo at 307-777-6709 or Leah Krafft at 307-777-7093.