

Memo

To: Whom it May Concern

From: John Wagner, Water Quality Division Administrator

Date: June 14, 2004

Subject: Approaches to CBM Watershed Based Permitting and Ground Water Monitoring Requirements for CBM Ponds

The attached documents provide detail on the Water Quality Division's (WQD's) response to two major CBM issues currently facing the division. The first issue is the current lack of a coordinated approach to CBM produced water permitting. The second issue is the question of ground water impacts from unlined CBM produced water holding ponds.

In summary, the WQD's approach to these issues will be as follows:

1. That new CBM produced water NPDES permits will not be issued in any Hydrologic Unit Code (HUC) 10 level drainages that currently do not have CBM NPDES permits until a watershed management plan for the drainage has been written and accepted by the WQD. In addition, the WQD will set common expiration dates for existing CBM permits within each HUC 10 level drainage, and will require approved watershed management plans before re-issuing those permits.
2. That operators of new unlined CBM produced water ponds will be required to provide ground water monitoring where discharge from the bottom of the ponds threatens to impair ground water quality. In addition, the WQD will lead a multi-party effort to evaluate the extent of ground water problems associated with existing CBM produced water ponds.

Modifications to these approaches will be considered between now and July 1, 2004 if interested parties provide conclusive information indicating that one or both of the approaches require adjustment for effective implementation. However, it should be noted that these are internal policies and procedures and can be changed at any time as new information is obtained and as implementation experience is gained.

Attachments: Approach to CBM Watershed Based Permitting
Compliance Monitoring for Ground Water Protection Beneath Unlined Coal Bed Methane Produced Water Impoundments