

PETROLEUM ASSOCIATION OF WYOMING

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July 1, 1999

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Trent A. Larson, Attorney
Environmental Quality Council

Mr. Dennis Hemmer
Director, Department of Environmental Quality
122 West 25th Street
Cheyenne, Wyoming 82002

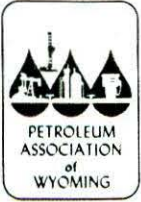
Dear Mr. Hemmer:

The Petroleum Association of Wyoming, whose membership account for the majority of oil and gas exploration and production activities occurring in the state of Wyoming, requests a hearing before the Environmental Quality Council to ask for amendments to the Water Quality Division's Rules and Regulations Chapter VII – Surface Discharge of Water Associated with the Production of Oil and Gas.

Surface discharge of water associated with the production of oil and gas is a historical practice. Since 1977, all newly permitted discharges must meet stringent statewide effluent criteria as set forth in Chapter VII. Surface discharge is critical to the oil and gas industry and Wyoming in that it allows wells to be produced that would otherwise be abandoned if required to utilize alternative disposal methods (i.e. underground injection or pits).

The Council and Department have also recognized the benefit of produced water being used for agricultural and wildlife use in this water short state. To ensure that usable water associated with oil and gas did not go to waste, provisions were made in Chapter VII to allow for a site-specific beneficial use modification of effluent standards. This exception, originally available for potential use by all oil and gas facilities, was limited in 1978 to only apply to discharges that predated adoption of the regulations. Our petition is to amend Chapter VII so that an application for a site-specific determination for modification of effluent limits could be submitted for any oil and gas facility in the state.

Currently, Wyoming's oil production is about one-half of its 1970 peak. Accordingly, PAW believes it is in the best interest of the state to facilitate continued production of our remaining wells. Our proposed amendment will assist in maintaining a portion of our dwindling oil production yet still provide protection for the environment. Under our proposal, modification of effluent standards is discretionary. Factors relating to DEQ's approval or denial of a facility operator's/landowners request for a modification would be based on site-specific data, such as specific constituents in produced waters, quantity of produced waters, receiving water quality, etc.



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We all know that nationwide environmental standards often are not realistic. Congress and federal regulators recognize this fact and make provisions for exceptions. It should be no different for statewide standards. Provisions for exceptions should also be available.

Please find attached our recommendations for amendment to Chapter VII, Section 5. We believe that these amendments will accomplish our goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom", is written over a horizontal line.

Thomas H. Clayson
Vice President

cc: Rep. Paseneaux
Sen. Geis
C. Parsons
D. True
C. Porter
T. Lorenzon
G. Beech

PAW's proposal is as follows with new language underlined and language to be deleted is stricken.

CHAPTER VII
SURFACE DISCHARGE OF WATER ASSOCIATED WITH
THE PRODUCTION OF OIL AND GAS

Section 5. Modification of Effluent Limitations for discharges of produced water. Modification of Sections 4(a), (b) and (c) of this rule may be granted on a case by case basis under the following procedure:

a. Request for Beneficial Use ~~Subcategory~~ discharge limits shall include:

(1) ~~A through~~ submission of an application ~~signed "letter of beneficial use" from the~~ by a land owner and discharge facility operator ~~may specifically requesting that the discharge in question be allowed to continue for a specific beneficial use.~~ The user must indicate the exact beneficial use of the water (stock watering, irrigation, or other wildlife or agricultural use etc.) and documenting that the quality of the discharge water is consistent with the desired beneficial uses and the history of such use. No action taken by the Department under this Section or any other Section of these regulations shall be interpreted as the granting of a water right or any other water use authority.

(2) The submission must include a ~~Through~~ submission of signed statement by the Wyoming Game and Fish Department in which it is stated that the beneficial use discharge in question is of value to fish or wildlife.

~~b. Through documentation by the owner or operator of the discharging facility that because of extenuating circumstances (volume of discharge, individual chemical constituents, nature of the area in which the discharge occurs, etc.) an exemption should be considered. This part does not apply in those cases where the discharge is to waters of the United States as defined in the Federal Water Pollution Control Act and subsequent amendments to that Act.~~

b. e. In no case will a modification as described in ~~parts a. and b.~~ of this Section be permitted which would result in violation of Quality Standards for Wyoming Surface Waters (Water Quality Division Rules and Regulations, Chapter I) ~~or in any case where a discharge permit application was filed after the date of adoption of these regulations.~~

c. Modifications of Effluent Limitations provided under the provisions of this section shall only apply to discharge permit applications filed after the date of adoption of these regulations.

d. No authorization under these rules is required for produced water discharges that are consumed for a beneficial use that does not enter or threaten to enter surface waters of the state.

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