

ENCOURAGING RESPONSIBLE DEVELOPMENT TODAY ~ FOR TOMORROW

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The Powder River Basin Resource Council applauds the Water Quality Division's efforts to secure financial assurance for the 11 un-bonded commercial oilfield waste disposal facilities (COWDFs).

Obtaining financial assurance for these facilities is necessary because some of these older, grandfathered facilities have faced a string of violations ranging from groundwater contamination to endangering wildlife.

Our members believe that obtaining legitimate financial bonds to fully cover the cost of closing and reclaiming these facilities is the only way to ensure Wyoming taxpayers do not eventually foot the bill for cleanup.

We do have one concern that we would like to share with you regarding the inclusion of self-bonding as an acceptable financial assurance mechanism.

W.S. 306(g) provides that self-bonding may be used *only* if "such a program will provide protection consistent with the objectives and purposes of article 3 of the act." This means self-bonding should be used sparingly and the rules must ensure that only operators with a proven history of financial fitness and no risk of forfeiture should self-bond.

Unfortunately, over the past few years with self-bonded coal companies, we have learned that even the largest companies are not too big to fail and the state's rules did not adequately prevent risk to the public.

Where COWDFs are concerned, in 2010 the state spent close to \$1 million to remediate and reclaim a facility in Sublette County. The corporation who owned the COWDF had become defunct with no assets to offer except the property, which was valued at approximately \$40,000. Additionally, the acquisition of properties like these may actually prove to be a liability given significant concerns over surface and water contamination.

Legitimate cash-backed bonds would have prevented the state from having to take on the burden of reclaiming this site, whereas self-bonding may not have. We are also concerned that some COWDF operators may not meet the financial health qualifications and given that DEQ does not currently accept or consider public comment before approving COWDF permits, the public does not have an opportunity to comment on the adequacy of the bonds.

The Land Quality Division is about to embark on a comprehensive review of the self-bonding rules for mines and we encourage the Water Quality Division and the Advisory Board to follow that process and incorporate any lessons learned into this rulemaking.

We would like to thank the DEQ and the Water and Waste Advisory for addressing this important issue and we appreciate the work DEQ has put into this rulemaking.