

WY0052850

ORIGINAL SIGNATURE

**NEW NPDES PERMIT APPLICATION
CORSAIR CS STATE CBM PROJECT**

**OPTION 2: POWDER RIVER BASIN
JOHNSON COUNTY, WYOMING
T49N, R78W, SECTION 29**

Prepared for:

YATES PETROLEUM CORPORATION

Prepared by:

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January 4, 2005

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EXHIBIT C

APPENDIX A

Statement of Beneficial Use

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October 7, 2004

Beneficial Use of CBNG water for wildlife:

Northeast Wyoming has been in a drought period for, at least, the last 5-10 years. Also, according to a 30-year climate summary for the Dead Horse Creek climate station located just east of the Powder River and just south of Interstate 90 in Sheridan County, Wyoming, the area surrounding this climate station only receives approximately 11.5" of precipitation per year compared to approximately 16" of precipitation just east of there near Gillette. Both of these factors have contributed to a relative lack of water occurring in the vicinity of T49N-R77W-S36, and also T49N-R78W-S29.

Yates Petroleum Corporation proposes to discharge coal bed natural gas water into full-containment reservoirs in the SW and NE quarters of section 29-T49N-R78W, and also the NW, NE and SE quarters of section 36-T49N-R77W. These areas are home to several types of wildlife including, but not limited to, mule deer (*Odocoileus hemionus*), antelope (*Antilocapra americana*), white-tailed deer (*Odocoileus virginianus*), red fox (*Vulpes vulpes*), badger (*Taxidea taxus*) and coyotes (*Canis latrans*), as well as, many types of raptors, waterfowl and other small song birds. All of these animals would benefit from an increase in available water in this area by allowing them to cut down the amount of travel that they require getting to water. By limiting the amount of travel, each animal will be able to conserve their limited energy reserves, as well as, limit their exposure to possible predators. These reservoirs and their associated tire tanks will also be used in coordination with the grazing lessee for these state lands and will be beneficial to any livestock that may be grazing these pastures, as well.

All in all, the proposed reservoirs will be beneficial to many different species of animals by reducing the impacts of drought and low precipitation levels in this area, as well as, limiting their exposure to different types of predators.

Tony Wyllie
Wildlife Manager
Yates Petroleum Corporation