

# Proposal could curb drilling

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BILLINGS, Mont. -- Montana's Northern Cheyenne Tribe is proposing water pollution restrictions that could force companies in the resource-rich Powder River Basin to spend more on cleanup efforts or face limits on where they can drill.

Companies operating in the basin along the Montana-Wyoming border pump billions of gallons of water annually from underground aquifers to free trapped coal-bed methane, or natural gas. That water is high in salts and often pumped straight into rivers, a potential threat to the crops of downstream farmers.

A federal lawsuit already is pending against the U.S. Environmental Protection Agency over coal-bed methane water restrictions approved last year for Montana.

Now the Northern Cheyenne Tribe wants to raise the bar even higher along the Tongue River, one of the major drainages in the Powder River Basin. The tribe's proposal would be more than twice as stringent as the state restrictions during some months of the year.

Northern Cheyenne environmental director Charlene Alden said the rules would ensure sure the Tongue River flows clean through the southeastern Montana reservation.

With tens of thousands of natural gas wells already drilled on the Wyoming side of the basin, future drilling both there and in Montana could be put in doubt.

"I don't think it's going to shut down the industry," Alden said. "It's just going to make people more reasonable about the development."

But industry representatives say energy companies are likely to balk at the new rules.

Wyoming already has suffered a drastic slowdown in drilling activity since the economy faltered last year and natural gas prices plummeted. In Montana, those pressures have put on hold a major expansion of the industry that had been expected with the approval last winter of a new drilling plan for public lands.

If the market rebounds and the Northern Cheyenne plan is approved, companies would likely take their business elsewhere, said Monica Deromedi with the Coalbed Natural Gas Alliance in Cheyenne.

"You could go to a basin where it's much easier (to drill), where you don't have nearly the rules and regulations that you do here," she said.

EPA spokesman Richard Mylott said the agency would review the tribe's proposal but could not say if it was likely to be approved. He said the review would focus on whether the restrictions are consistent with the Clean Water Act.

Meanwhile, a judgment is due any time in a coal-bed methane water lawsuit before U.S. District Judge Clarence Brimmer in Cheyenne. The case pits Pennaco Energy, Marathon Oil and other companies, plus Wyoming's attorney general, against the EPA, Montana and conservation groups.

In that case, the EPA cited provisions in the Clean Water Act to support its approval of Montana's pollution restrictions -- an indication of where the agency may come down with the Northern Cheyenne.

But Montana Department of Environmental Quality Director Richard Opper said approval of the Northern Cheyenne proposal would put federal regulators in the awkward position of backing different rules for the same river.

The Tongue flows along the Northern Cheyenne reservation's eastern border with Montana.

"How are you going to manage the right side of the river differently from the left side?" Opper asked.