

Exhibit No. 5
 Date 2-3-05
 Bill No. OB 258

The Denver Post

Drilling boom increases rifts over property, mineral rights

By Arthur Kane
 Denver Post Staff Writer

Monday, January 10, 2005 -

Silt - Orlyn and Carol Bell moved to a 110-acre ranch south of town in 1981 for the brilliant star-lit skies and towering mountain views.

Last year, the energy boom brought something they hadn't bargained for - a four-story natural-gas drilling rig near their house and daily parades of trucks that rumble across their land.

"This was a gorgeous place to live," said Carol Bell, who worries about the environmental dangers and decline in property value. "But people don't want to live near this."

The Bells' saga has long been familiar across Colorado and the United States, where often one party owns surface property rights and another owns the rights to the underground minerals.

Now, skyrocketing gas and oil prices - plus new drilling technology that makes exploration possible in new areas - have increased the number of wells in Colorado. In turn, the development has sparked more conflicts between surface and mineral owners.

While the state does not keep statistics on the number of conflicts, state and county officials agree the disputes have climbed with the prices of gas and oil.

The Colorado Oil and Gas Conservation Commission is meeting today to discuss ways to mediate the disputes, and a Democratic lawmaker says she will propose legislation this year that would increase the rights of surface owners.

The oil and gas industry, however, opposes the legislation and says major changes would violate their rights to get at the resources they own.

"When (property owners) bought that surface right, they knew there was another mineral owner," said Ken Wonstolen, senior vice president at the Colorado Oil and Gas Association. "This industry is not prepared to walk away from its property rights."

On the other hand, property owners say the state law giving mineral owners the right to get at oil and gas without the landowner's permission violates their property rights.

The Bells said they tried to buy the mineral rights when they purchased the ranch but that they weren't for sale. For more than two decades, the minerals were not developed, but last summer EnCana USA decided it wanted to drill for gas under the Bells' property.

The Bells and EnCana started to negotiate a surface agreement, with EnCana offering \$2,500 an acre for the nearly 3 acres it needed to stage the wells and more money to run a pipeline across the Bells' land, Carol Bell said.

With land in the area going for \$6,000 an acre, the Bells felt the price was not fair and wanted environmental provisions that they said EnCana opposed. So, as allowed by law, EnCana posted a surface-damage bond and started drilling on the Bells' property several hundred feet from their home without an agreement.

The Bells hired a lawyer but, knowing that the law wasn't on their side, eventually signed the surface-use agreement so they would have more say about what is happening on their land.

Walter Lowry, EnCana community relations director, said the company reaches agreements in nearly all cases and that there would be no gas development without the right to go onto the property.

"We negotiate in good faith," he said. "The mineral estate is the dominant estate, and if it was any other way there would be no rigs running around the country."

But Mike Matheson, an oil and gas technical adviser for La Plata County, said sometimes surface owners have little choice.

"The oil and gas commission says 95 percent of wells are drilled with surface agreements in place," he said. "It's like saying 99 percent of Russians voted for Leonid Brezhnev. It's not a fair process."

Newly elected state Rep. Kathleen Curry, D-Gunnison, plans to introduce legislation Jan. 17 that would require surface agreements before a mineral owner could drill and would provide land appraisals and mediation when the surface and mineral owners cannot come to terms.

"The concerns of (surface owners) aren't being heard by the energy industry," she said, adding that a small percentage of companies that have "brought this on themselves" are causing the problem.

The oil and gas commission, which issues permits for wells and decides how many a company can have per acre, is looking for a way to mediate disputes without legislation.

In 2000, after a drilling surge in La Plata County, the commission set up a process in which a state regulator, company representative and landowner can visit a site to attempt to settle any disputes.

The commission today will discuss implementing the program statewide to ensure that the permit has conditions to minimize problems for the landowner.

The draft of the new rule says it would allow site-specific drilling permit conditions to avoid "unreasonable crop loss or land damage, or to prevent or mitigate health, safety and welfare concerns."

Commission Director Brian Macke said the agency's job is to balance the mineral owners' rights to get at the fuel while limiting problems for landowners.

Macke said the site visits have helped resolve disputes in La Plata, but Ron Burkett, who owns 4,200 acres 12 miles east of Durango, said a site visit won't solve his problems.

The BP corporation has drilled 23 wells and is planning eight more on his property. He said he fears the drilling is affecting the water on his ranch.

"I'm living in an industrial zone," said Burkett, who owns some of the mineral rights and receives royalties from some wells. "They only need half the wells they drill."

BP spokesman Dan Larson said the company drills only as many wells as it needs to extract the gas and disputed that the work affected the water supply.

Oil and gas companies say it would be unfair to change the rules after they have bought or leased mineral rights, but residents say they also need protection.

"I just wish the surface and mineral owners were equal," Carol Bell said.

Staff writer Arthur Kane can be reached at 303-820-1626 or akane@denverpost.com.

Speakers call for better CBM rules

By **BRENDAN BURKE**
Star-Tribune staff writer

CST 2-15-04

"I am not against the development of coalbed methane," Nancy Sorenson, the chairwoman of the Powder River Basin Resource Council, said. "But I am very critical of how some of it is done."

Sorenson's comments were made in a talk before the Democratic Women's Forum at the Casper Petroleum Club on Saturday.

Joining Sorenson was fellow Campbell County rancher Bernadette Barlow, who is also a founding member of Powder River Basin Resource Council.

The focus of Sorenson's and Barlow's speeches concerned the effects that the water produced by CBM drilling has on Campbell County's vegetation.

To remove methane from the coal seams beneath northeastern Wyoming, a great deal of groundwater has to be removed as well, the women said.

According to Barlow, each of seven wells dug on her property produced 85 to 120 gallons of water per minute.

In southern Campbell County the groundwater is good, and the CBM water has helped some ranchers. But in northern Campbell County the water has too much sodium in it and the groundwater kills vegetation.

Because there is too much water produced by the wells to pipe it away, most is discharged into creeks and the vegetation around the creeks dies.

The women called on industry to figure out a way to get rid of the water so that it does not kill the plants and trees of the Powder River Basin.

Barlow and Sorenson also criticized the way the state has regulated CBM development and the problems methane drilling has caused with the Powder River Basin's water.

If you have a problem with how much water is being spilled on your land, you are told to go to the

Please see COALBED METHANE, A4

COALBED METHANE

Continued from A3

State Engineers Office, Sorenson said. If you have a problem with the salt levels in the water being spilled on your land, you are told to go to the Department of Environmental Quality.

It's "a musical chairs of the regulators," she said.

If the state were to create rules specific for CBM development, it would benefit landowners, it would benefit the developers, and it would benefit Wyoming, Sorenson said.

Ranchers want equality with CBM developers

Producers say they on't have it now

Pat Blair
for staff reporter

heridan County rancher Kolitska is drawing his coalbed-methane developer want to come onto his without a surface-use agreement he said this week. "I have to do it," he said this week. "I have to do it because he does not much legal ground to stand the CBM developers, he "have the upper hand." "Younger law gives priority mineral developers. "I'd like to own land, but be minerals under it, have bargaining power and no to guarantee they will be rarely compensated for age to, or disruption of, their effort by legislators to ze that this year failed in e committee, but propo- of House Bill 251. h would have required mi- neral developers to negotiate with face landowner for permis- o drill on that individual's — have pledged to bring sue back for interim study, ne House Management cell is expected to decide by next week which commit- ing to Freshman Rep. Berger. R-Big Horn, who luded the bill this year. a interim study increases es a bill similar to HB 251 e brought back to the lature.



The Sheridan Press/Christopher Puhli

FEELING LEFT OUT — Sheridan County rancher Gary Kolitska ponders the future of three nonproducing coalbed-methane wells on his property. He says the company that drilled the wells hasn't given him its plans for the wellheads.

Committee and a co-sponsor of the bill along with Rep. Jack Landrum Jr., R-Sheridan, and three state senators, told The Sheridan Press he is asking that his committee be changed with the interim study. Senate co-sponsors were Bruce Burns, R-Sheridan; Curt Meier, R-LaGrange; and Bill Yasny, D-Rawlins. The bill was referred to the House Minerals Committee after its introduction, but Hageman, R-Fort Laramie, does not believe that is the appropriate committee to deal with the issue. "The oil people have a lot of pull with that committee," he said.

Berger introduced HB 251 to correct what she and other proponents see as a major flaw in Wyoming laws: Mineral developers have no obligation under Wyoming statute to negotiate any kind of agreement with the surface landowner for use of his or her land. Berger and proponents of her bill say it would give landowners rights equal to the mineral companies.

opment, and he believes most companies try to work with the surface landowner.

But other companies have refused to work with landowners. A company Kolitska is now dealing wants him to sign an agreement that will give the company total control, he said.

"My hay meadow will be one big reservoir" under this company's plans, he added. Berger's bill was effectively killed Feb. 7 after a nearly three-hour hearing before a standing-room-only crowd in a House Minerals Committee meeting.

Committee members called the bill "courageous" and "on track" and said it had good points but needed more work.

Speaker of the House Fred Parady, R-Rock Springs, and Committee Chairwoman Clarence Law, R-Jackson, subsequently identified the bill as a high priority for

Bill drew mixed reviews

By Pat Blair
Senior staff reporter

A bill proposed by freshman Rep. Rosie Berger, R-Big Horn, to require mineral developers to negotiate with surface landowners drew criticism from the Powder River Basin Resource Council. The council argued the measure did not go far enough and conceded too much power to mineral companies.

The bill failed in committee but appears likely to be the focus of an interim study by a legislative committee after the 2003 legislative adjourns.

An interim study means a bill similar to Berger's could be introduced in the 2004 legislative session.

Among the PRBRC's criticisms is that House Bill 251 would have required a developer to notify a landowner of the company's intent to drill on the individual's land and provide the landowner with the company's development plan within 30 days. PRBRC staff maintains that is not enough time for the landowner to react. PRBRC also criticized the bill for failure to require that the landowner be included in developing the plan.

Proponents of the bill noted it required the developer to compensate the landowner for damages, including loss of property value, and requires the parties to negotiate the payments.

The bill also provides for mediation and legal recourse if the company and landowner are unable to reach an agreement. The bill would specifically have amended Wyoming law to require oil and gas developers, including coalbed-methane developers, to accommodate the economic loss and impacts to the surface payments for:

- loss of agricultural production and income;
- lost land value (reduction of fair market value of the property);
- lost use of, and access to, the surface;
- lost value of improvements caused by oil and gas developments;
- restoration of the surface; and
- loss due to inability to implement planned or reasonably foreseeable future uses.

Proponents included rancher Bill Garland of Pavillion, who said he liked the bill as Berger wrote it.

"I feel good about Rosie's bill," Garland said. "It's a simple, honest, straightforward bill. There are not a lot of provisions to employ lawyers; not a lot of provisions for the environmentalists. It leaves it to the involved parties to negotiate, but it puts the producer on equal footing with the mineral company."

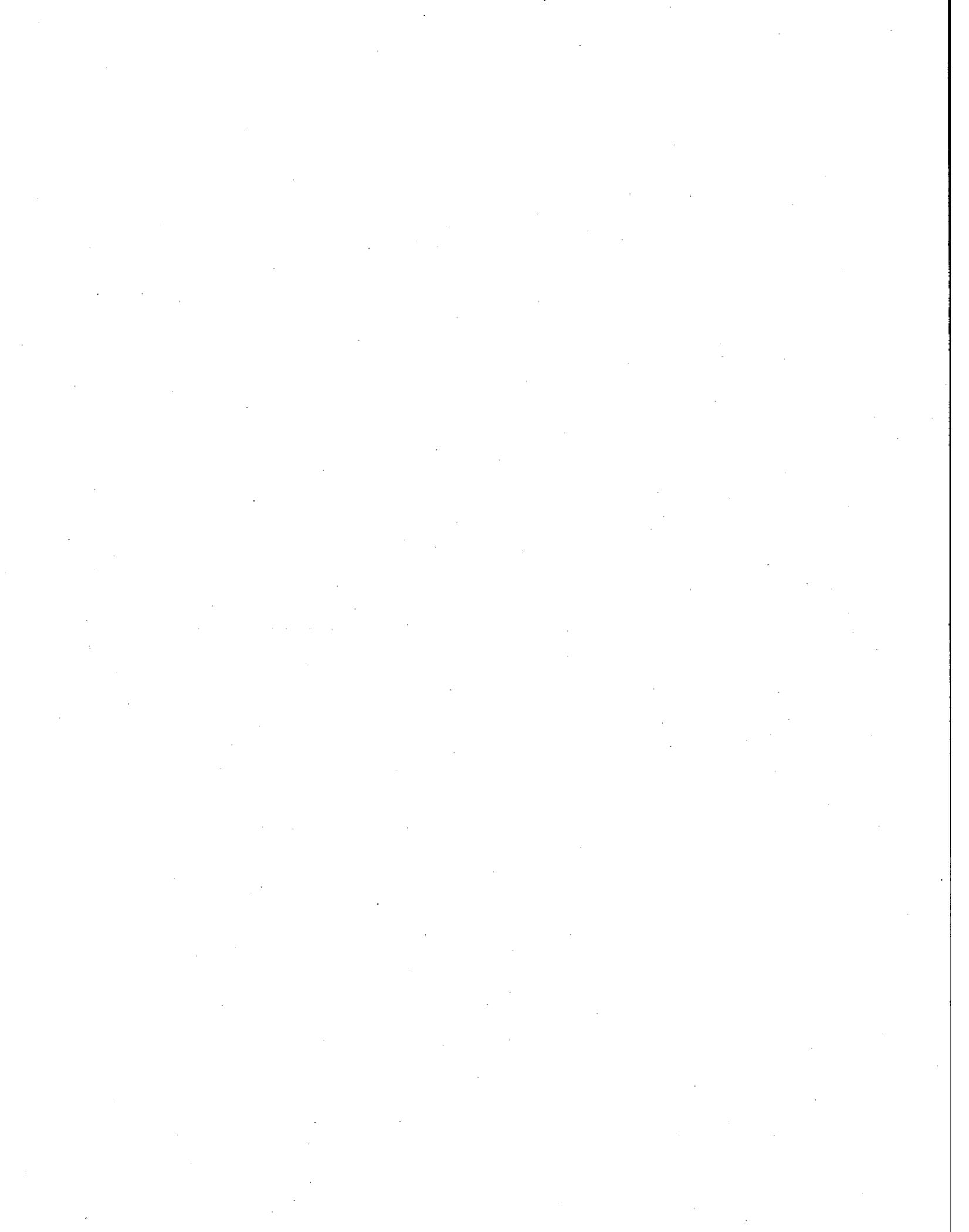
Garland, whose land is in Fremont County, said he is dealing with traditional oil and gas companies, not coalbed-methane developers. But he said the basic issue — the mineral developer's primacy — is the same across the state.

"We have about a 1,200-acre irrigated farm, alfalfa and cattle. They're drilling oil and gas wells in the middle of our alfalfa field," he said.

The bill went to the House Mineral Committee for hearing Feb. 7.

Among those who testified before the committee was Sheridan County landowner Forest Dunning.

Dunning said he "liked the idea, the concept" of Berger's bill and testified in support of it. But he said he also believes it needs the additional work an interim



Management focus: Got risk insurance?

FarmJournal's

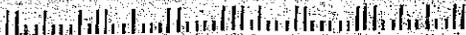
Beef

AUGUST 2002

**YOUR
LAND'S
OTHER
OWNER**

#BXNGPZ ****CR LOT 0005A***H-060
#0055276690005# 010180001
MR. ROBERT L SORENSON
7241 US HIGHWAY 14-16
ARYADA WY 82831-9618

Also: The new rules
of cattle care



Cows, coal, oil and lawyers, lawyers, lawyers

Mineral rights owners have about as many rights on your place as you do. When they come knocking, be polite. But get a lawyer. **By Sam Western**

W Wyoming's Bighorn Mountains jut down from Montana in the shape of a jagged-edged scimitar. East of this range, all the way to the Black Hills, runs a 25,000-square-mile drainage called the Powder River Basin.

It's the site of the biggest gas play in the United States. The Bureau of Land Management estimates that by 2010, between 50,000 and 80,000 wells will be punched in this dry and lonesome land.

It may be rugged, short of water and isolated, but about 1,000 ranchers call it home. Any drill bit sunk into this soon-to-be pin-cushioned territory will be on property owned or leased by a livestock operator.

Life has taken a turn for ranchers of the Powder River Basin (PRB). For operators fortunate enough to hold mineral rights, their ship has not only come in, but docked, unloaded, and paid off handsomely. Others have welcomed the development of coal-bed methane (this play taps into methane developed by the

region's huge coal seams) as mineral operators have supplied new access roads and sources of stock water.

For others, the coal-bed methane boom has been anywhere from a nuisance to a nightmare. It has been a particularly onerous venture for ranchers who own or lease the surface but don't own the mineral rights below their feet, a complex legal agreement called the split estate.

A culture of dominance

"There's four parts to this equation," says Paddy Bard, a longtime rancher in the PRB, "the mineral owner, the surface owner, the energy company developing the minerals, and the United States energy policy. The surface owner is the low man on the totem pole in this equation."

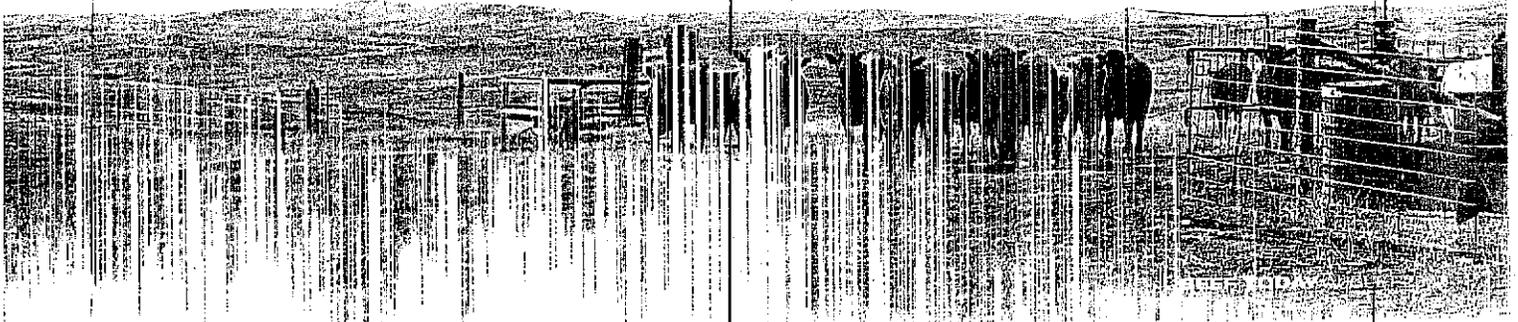
Energy companies often give split-estate ranchers short notice of their intentions. "You find out about exploration when they show up at your door,"

says Eric Barlow, who runs 450 Red Angus on a ranch that's 80% split-estate. "It's educational."

Fighting back takes money. "When I hire an attorney, I pay by the hour. Energy companies hire law firms on retainers by the year," says Barlow.

And it's not just the little operators who struggle, either. The Padlock Ranch, for example, runs about 14,000 head in northern Wyoming and southern Montana. Mineral companies own or lease the oil and gas rights under a third of the property. Ranch manager John Heynemann guesses he now spends "most of his damned day" wrestling with landmen and lawyers over damages incurred by coal-bed methane development.

Heynemann drives me out to a parcel of the Padlock where the dirt is



flying. Diesel fumes and dust fill the air. The land crawls with heavy equipment. "These guys do not have our permission to be here," he says of the pasture used to winter bulls. "We tried to work out an agreement and couldn't come to terms. Yet they had a time-sensitive lease [must produce gas by a certain date or lose the lease], so they came anyway and figured they'd sort the legalities out later."

Ranchers struggling with split-estate issues fall into two categories: those confronting conventional oil and gas development on their property, and those who face the ravenous growth of coal-bed methane. Coal-bed methane exploration isn't just relegated to Wyoming and Montana. It can be found anywhere there's coal: for example, North Dakota, Colorado, Utah, New Mexico, Washington, Illinois and West Virginia.

Both types of development give split-

estate ranchers headaches and often a sense of helplessness. However, coal-bed methane and oil regulations permit have the right to slash prospect of a well every 40 acres. This means more roads, storage pits, erosion and loss of acreage. Furthermore, coal-bed methane involves extracting thousands of gallons of water from each well before an operator hits gas. The question of what to do with the water—usually high in salts and thus unfit for irrigation use—in a dry land looms large.

"With traditional oil and gas development, we understand the impact and procedure, so we're willing to deal with the issues," says Barlow.

His family has been dealing with conventional oil companies for over 40 years on his ranch west of Gillette, Wyo. "With CBM [coal-bed methane], it's a high return on investment. They've got lots of money to spend now. They feel as if they can get away with so much more because they have money."

Barlow looks at it in terms of a business investment. "The last traditional oil well drilled on his property cost about \$1.5 million. Using rough estimates, you can drill about 20 or 30 CBM wells with \$1.5 million. That means a much bigger imprint on the land."

Nobody knows how much U.S. agricultural land lies in the split estate. "It is not a static phenomenon," says Lynnette J. Boomgaarden of the University of Wyoming law school.

"Surface and mineral estates may split and be reunified. Furthermore, fractional interests in each estate are conveyed [deeded], reserved, or passed along to heirs all the time," she says.

In other words, it's messy and complicated. We do know this: The federal government, primarily the



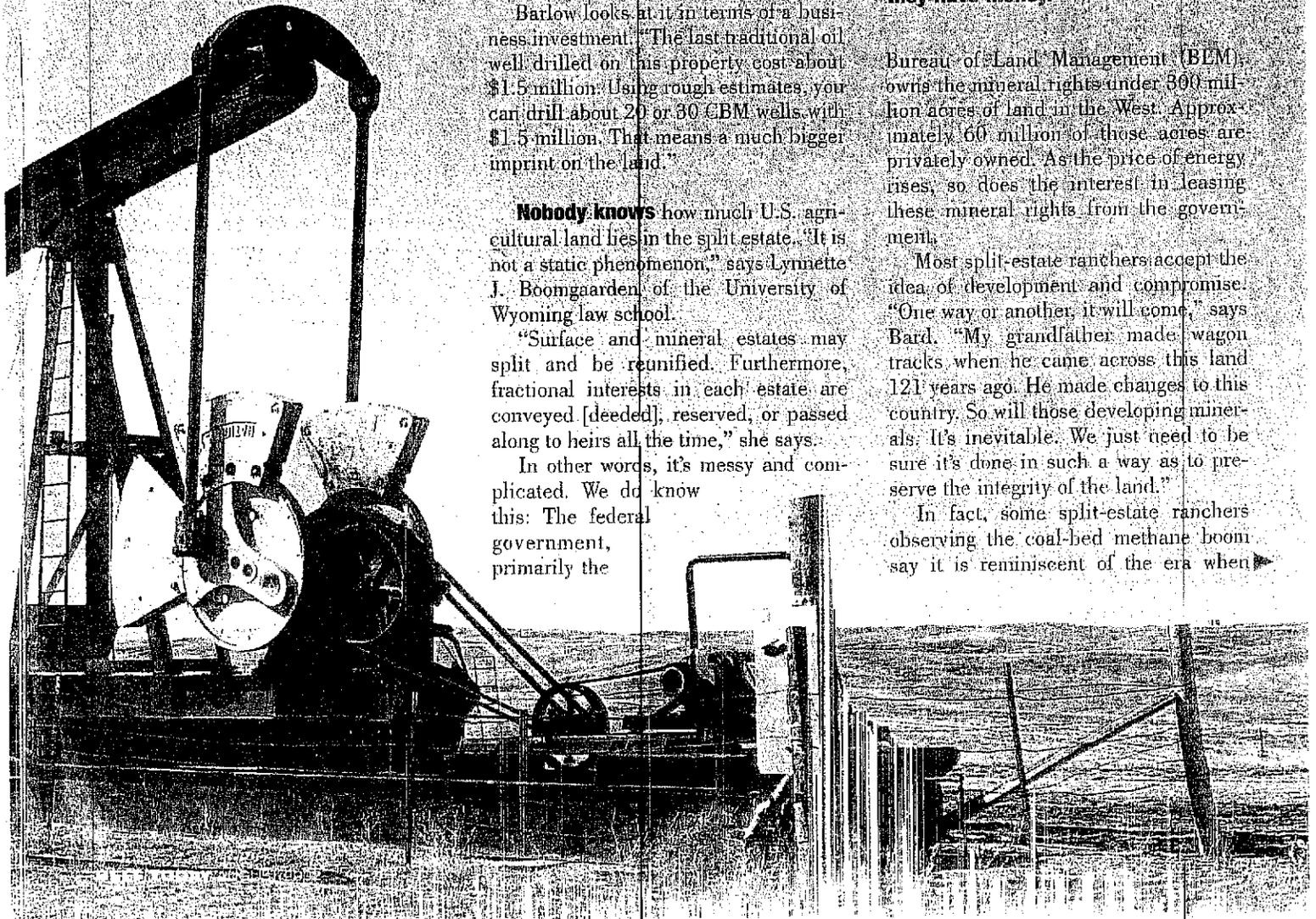
PHOTO BY ADAM JAHIEL

Eric Barlow on coalbed methane: "They've got lots of money to spend now. They feel as if they can get away with so much more because they have money."

Bureau of Land Management (BLM) owns the mineral rights under 300 million acres of land in the West. Approximately 60 million of those acres are privately owned. As the price of energy rises, so does the interest in leasing these mineral rights from the government.

Most split-estate ranchers accept the idea of development and compromise. "One way or another, it will come," says Bard. "My grandfather made wagon tracks when he came across this land 121 years ago. He made changes to this country. So will those developing minerals: It's inevitable. We just need to be sure it's done in such a way as to preserve the integrity of the land."

In fact, some split-estate ranchers observing the coal-bed methane boom say it is reminiscent of the era when



conventional oil and gas development had few restrictions. David Nelson runs a 200-head cow-calf operation in Keene, N.D., on a 2,000-acre ranch. He also grows durum wheat, rapeseed, and oats. His family has been on the ranch for a century. His operation also sits on two oil fields, the Blue Butte, which began producing in 1955, and the Antelope, developed in 1953. During those times in the 1950s, Nelson said he felt powerless.

"It was a struggle, I can tell you that. In 1954, I didn't get anything. North Dakota didn't even have an oil and gas commission then. They had their way. I had my fights. Every day I'd fight them."

Oil companies and mineral lessees resisted change. "They're in a business and they don't want to pay any more than they have to," he says. "You ask for

"Coal-bed methane has destroyed northwest New Mexico. The water that comes out of those wells is horrible." —Tweeti Blancett

more and they'll buck it like crazy. For years, their attitude was: We're going to pay you so much and that's all."

In the old days, says Nelson, "the oil companies would rent a room in a hotel and you'd come to them. There would be a line of people waiting to see what sort of deal they would get."

Nelson says one of his biggest fights came over the flaring of hydrogen sulfide gas, a practice now forbidden but once common in oil fields. "It was corrosive as hell. It ate through everything metal: radiators, wire, Quonset huts, storage tanks. It turned our silverware

black. It killed cattle. I used to see scores of birds lying dead on the ground. I complained, only to have an oilman tell me: 'I'm the boss of this field and I'll run it any damned way I want to.'"

The situation, however, has changed, says Nelson. The difference is public awareness. "Most ranchers know a lot more about it [leasing or surface-use agreements]. We're not going to give it away, and most landmen know it. They're much nicer today. Still, I can't get them to rehab projects that they abandoned 25 years ago."

Bill Garrett, a retired split-estate rancher from the PRB held his ground when it came to dealing with coal-bed methane companies "because I went through the oil strike of 1959.

"You could sit in the truck and read

Sometimes you join 'em

How are you doing more sleep, waking up about surface agreements with oil and gas companies that you are about your own operation, maybe it's time to ask, at what price are we going to run this ranching operation?

"A rancher runs two kinds of business simultaneously," says John Heynemann of the Padlock Ranch in Dayton, Wyo. "Real estate and livestock."

And sometimes it's the real estate business that makes the most sense.

"We worked hard to come to an agreement on surface damages," says split-estate rancher Bill Garrett of his negotiations with Barrett Resources [since bought out by the Tulsa-based Williams Company], "and we never could see eye-to-eye."

Barrett had the mineral leases to drill for methane on Garrett's ranch in the Powder River Basin.

"They had the rights of ingress and egress. But I could see they were going to turn this country upside down," says Garrett. "I realized I wasn't going to have a ranch. Well, not at least the kind

of ranch you want to have."

"We went round and round," he says. Sometimes the negotiations weren't cordial. "One time I told a Barrett landman if he made one more move on my property, he'd find himself down at the crowbar hotel hall."

"Barrett needed a place to put their [waste] water and finally I said, 'Look, you need to own this ranch.'"

"It wasn't an easy decision. But I'd been through one oil boom before and I took forever for those companies to clean up their mess." Garrett admits the locality of his ranch put him in a good negotiating position. "My place went on either side of the interstate. It was a good central location for them."

And Barrett offered him a good price. "Land around these parts goes for about \$80 to \$90 per acre. It's good for grazing only, not farming or growing crops. They ended up offering me \$250 per acre, far above agricultural value."

Split-estate rancher Earl Boardman found himself in similar shoes. His ranch also abutted an

interstate in the Powder River Country. After protesting to an energy company president about how he was treated by their lawyer ("We don't have to get along with you, Mr. Boardman. You have to get along with us,") he found negotiations easier. "I never heard from the lawyer again."

The gas company in question ended up bowing out of the mineral lease, but the corporation that took their place decided that owning was better than leasing. Boardman, who ran a cow-calf operation on the Powder River, said Anadarko Petroleum Corporation bought him out.

"We got along fine. They were good neighbors and I have a good feeling about them."

Boardman took the money and bought another ranch. "If their check's good, why not? So they buy land. It's a free country. They want control. I don't blame them. And have no animosity towards those companies. When the [energy] production is gone, the land will go back to a family ranch."

Garrett says he worries that his neighbors "may bear the brunt of his decision. It can be hard on your neighbors when land values go up like that."

LUTALYSE®

brand of dinoprost tromethamine sterile solution

For Intramuscular use for estrus synchronization, treatment of unobserved (silent) estrus and pyometra (chronic endometritis) in cattle.

DESCRIPTION

This product contains the naturally occurring prostaglandin F₂ alpha (dinoprost) as the tromethamine salt. Each mL contains dinoprost tromethamine equivalent to 5 mg dinoprost; also, benzyl alcohol, 9.45 mg added as preservative. When necessary, pH was adjusted with sodium hydroxide and/or hydrochloric acid. Dinoprost tromethamine is a white or slightly off-white crystalline powder that is readily soluble in water at room temperature in concentrations to at least 200 mg/mL.

INDICATIONS AND INSTRUCTIONS FOR USE

LUTALYSE Sterile Solution is indicated as a luteolytic agent.

LUTALYSE is effective only in those cattle having a corpus luteum, i.e., those which ovulated at least five days prior to treatment. Future reproductive performance of animals that are not cycling will be unaffected by injection of LUTALYSE.

1. For Intramuscular Use for Estrus Synchronization in Beef Cattle and Non-Lactating Dairy Heifers. LUTALYSE is used to control the timing of estrus and ovulation in estrous cycling cattle that have a corpus luteum.

Inject a dose of 5 mL LUTALYSE (25 mg PGF₂α) intramuscularly either once or twice at a 10 to 12 day interval.

With the single injection, cattle should be bred at the usual time relative to estrus.

With the two injections cattle can be bred after the second injection either at the usual time relative to detected estrus or at about 80 hours after the second injection of LUTALYSE.

Estrus is expected to occur 1 to 5 days after injection if a corpus luteum was present. Cattle that do not become pregnant to breeding at estrus on days 1 to 5 after injection will be expected to return to estrus in about 18 to 24 days.

2. For Intramuscular Use for Unobserved (Silent) Estrus in Lactating Dairy Cows with a Corpus Luteum. Inject a dose of 5 mL LUTALYSE (25 mg PGF₂α) intramuscularly. Breed cows as they are detected in estrus. If estrus has not been observed by 80 hours after injection, breed at 80 hours. If the cow returns to estrus breed at the usual time relative to estrus.

3. For Intramuscular Use for Treatment of Pyometra (chronic endometritis) in Cattle. Inject a dose of 5 mL LUTALYSE (25 mg PGF₂α) intramuscularly. In studies conducted with LUTALYSE, pyometra was defined as presence of a corpus luteum in the ovary and uterine horns containing fluid but not a conceptus based on palpation per rectum. Return to normal was defined as evacuation of fluid and return of the uterine horn size to 40mm or less based on palpation per rectum at 14 and 28 days. Most cattle that recovered in response to LUTALYSE recovered within 14 days after injection. After 14 days, recovery rate of treated cattle was no different than that of nontreated cattle.

WARNINGS

Not for human use.

Women of child-bearing age, asthmatics, and persons with bronchial and other respiratory problems should exercise extreme caution when handling this product. In the early stages, women may be unaware of their pregnancies. Dinoprost tromethamine is readily absorbed through the skin and can cause abortion and/or bronchospasms. Direct contact with the skin should, therefore, be avoided. Accidental spillage on the skin should be washed off immediately with soap and water.

Use of this product in excess of the approved dose may result in drug residues.

PRECAUTIONS

Do not administer to pregnant cattle unless abortion is desired. Do not administer intravenously (I.V.), as this route might potentiate adverse reactions.

Cattle administered a progestagen would be expected to have a reduced response to LUTALYSE Sterile Solution.

Aggressive antibiotic therapy should be employed at the first sign of infection at the injection site whether localized or diffuse. As with all parenteral products careful aseptic techniques should be employed to decrease the possibility of post injection bacterial infections.

ADVERSE REACTIONS

1. The most frequently observed side effect is increased rectal temperature at a 5X or 10X overdose. However, rectal temperature change has been transient in all cases observed and has not been detrimental to the animal.
2. Limited salivation has been reported in some instances.
3. Intravenous administration might increase heart rate.
4. Localized post injection bacterial infections that may become generalized have been reported. In rare instances such infections have terminated fatally. See PRECAUTIONS.

IMPORTANT

No milk discard or pre-slaughter drug withdrawal period is required for labeled uses.

DOSE AND ADMINISTRATION

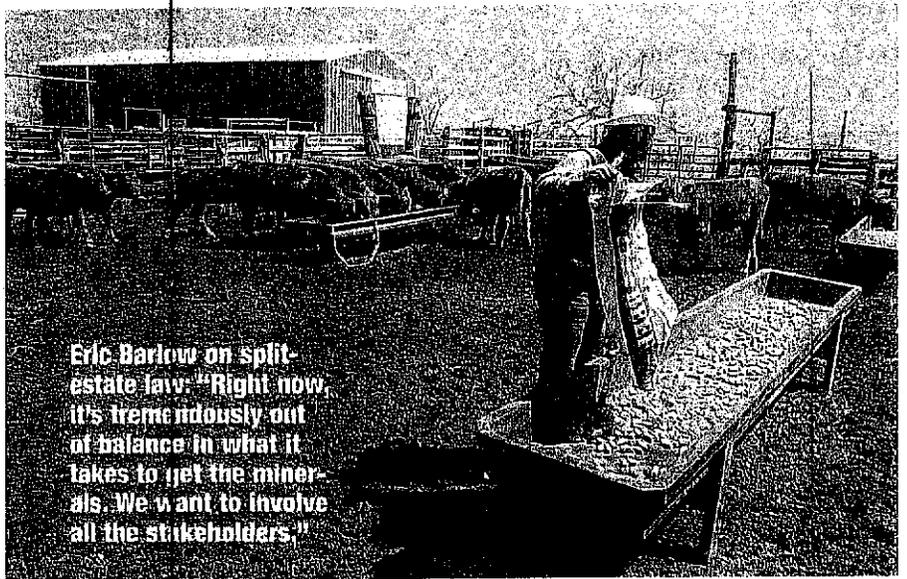
LUTALYSE Sterile Solution is supplied at a concentration of 5 mg dinoprost per mL. LUTALYSE is luteolytic in cattle at 25 mg (5 mL) administered intramuscularly. As with any multidose vial, practice aseptic techniques in withdrawing each dose. Adequately clean and disinfect the vial closure prior to entry with a sterile needle.

Caution: Federal (USA) law restricts this drug to use by or on the order of a licensed veterinarian.

Pharmacia & Upjohn Company
Kalamazoo, MI 49001, USA

Revised August 1996
810 470 216

891211



Eric Barlow on split-estate law: "Right now, it's tremendously out of balance in what it takes to get the minerals. We want to involve all the stakeholders."

PHOTO: ADAM JAHIEL

a newspaper at midnight with all the gas they were flaring," he says.

Garrett also says conventional oil and gas operators of that era considered surface-owner notification an afterthought. "I'd come over a ridge and see bulldozers plowing up the ground," he says.

The times they are a changing . . . slowly

Energy extraction involves more than just the landowner and the mineral company or lessee. "Development can be done if the rights of others are respected," says Eric Barlow. "I mean, I don't own the wildlife on my land or the air or the water, really. At what cost do we extract oil and gas? Right now, it's tremendously out of balance in what it takes to get the minerals. We want to involve all stakeholders."

Public awareness of the wear and tear energy development extracts from land has pushed states into a proactive position, including helping split-estate ranchers. In the last 10 years, about a dozen legislatures have revamped their split-estate laws. Most are in the West, but Kentucky, Tennessee and Illinois have adopted change. Even Texas, a state known for its reverential attitude towards mineral owners, has given land owners more say.

Attorney Bob Miller from Durango, Colo., says energy companies for years believed they could dictate what happened. "It's still very difficult to get the gas companies to concede that they don't have the dominant estate. We're now getting gas companies coming to the surface owner asking, where would you like this well?"

Similar courtesies might have been

extended a decade ago, but with less frequency. "It's a gradual process," says Miller. "Over time we're getting more and more accommodation."

Hal Corbett, an attorney based in Sheridan, Wyo., noted, "I have perceived a sea change, albeit slow and at times not very obvious. Increasingly, contracts are according more weight to the surface owner. The envelope continues to get pushed."

Some mineral owners are willing to give the surface owners a percentage. "Fifteen, 20 years ago that was unheard of," says Corbett.

Starting in 1987, North Dakota obligated the mineral developer "not just to pay surface damage and loss of agricultural production," notes Justice Department lawyer Andrew Mergen, but "also for the lost value of land and improvements."

Montana passed laws stating that the surface owner must be compensated for surface damage, loss of agricultural income and "any loss of land value or any lost value of improvements."

In 1997, the Colorado Supreme Court upheld a law that said if an energy company had two reasonable means of accessing minerals on a split-estate ranch, then they were obliged to use the plan with the least adverse effects.

Some states, like Texas, have helped agricultural operators, if only minimally. "They're doing a little better job," says Ned Meister of the Texas Farm Bureau. "But there's nothing in the regulatory process to give us much relief. A large part of our economy comes from oil and gas. The surface owner is at the will of the mineral owner."

Unlike many other states, no Texas

law automatically gives surface owners the right to compensation for loss of crops and surface damage during mineral development. Judon Fambrough, an attorney with the Real Estate Center at Texas A&M University, says split-estate landowners are often bewildered to discover that, with few exceptions, the oil company can use as much of the surface and as much water as it reasonably needs without asking permission and without paying any additional amount.

Still broken

For some states, the law is there, but enforcement isn't.

"No, it's not getting any better," says Tweeti Blancett, a rancher outside of Farmington, N.M. Blancett, no stranger to conventional oil and gas development on her 48,000-acre ranch, has sharp words for coal-bed methane. "Coal-bed methane has destroyed northwest New Mexico. The water that comes out of those wells is horrible, filled with heavy

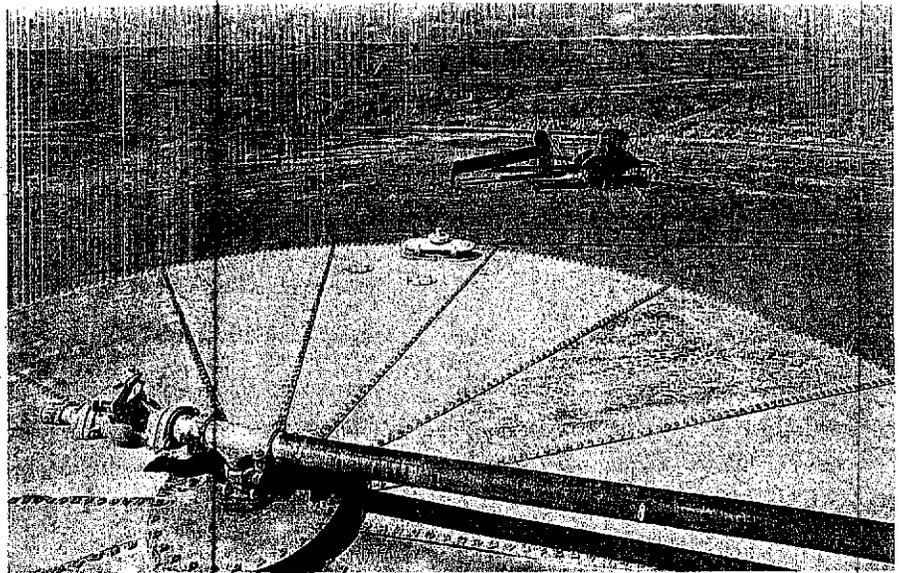


PHOTO: ADAM JAHIEL

metals. This stuff burns your hands."

Blancett and her husband, Linn, run Blancett Ranches. "My grandson will be the eighth generation to live on this ranch," she says. They run a cow-calf operation on a combination of private, state and federal land, with the majority being leased from the BLM.

"These guys pretty much do what they want," Blancett says. Her frustration stems from the BLM's reluctance to enforce regulations concerning how the

mineral lessee deals with the rancher who holds the grazing lease. While she does not deny that those holding mineral leases own certain rights, "each entity in these negotiations is to be treated equally."

"The regulations are on the books, but they're not being enforced," she says. "We don't need any new laws. Lord knows we have enough of them."

(continued on page 30)

Sometimes you fight 'em

■ Here's what you need to know when the landman knocks on your door (with hats off to Durango, Colo., attorney Bob Miller and the Billings, Mont.-based Northern Plains Resource Council).

- Don't sign anything on the first visit. In most cases, mineral companies can't start drilling the day after they serve notice of intent to enter your land. Most states (and the federal government if you hold a federal grazing lease) require at least 10 days notice.

- Get a lawyer.

- Don't be intimidated. It's easy to be buffaloed when a landman gets in your face with threatening legal lingo like "the mineral estate is dominant to the surface estate (and you haven't got much choice in whether we drill or not)." Most states have specific laws protecting the surface owner. The Colorado Supreme Court put it this way: "Our cases have consistently emphasized that both estates [mineral and surface] must exer-

cise their rights in a manner consistent with the other. Hence, in a practical sense, both estates are mutually dominant and mutually servient because each is burdened with the rights of the other."

- Attempts at total exclusion mean trouble. A hard-nosed or belligerent attitude, as in, "You can't come on my land no matter what," will give mineral companies exactly the ammunition they need to gain court-ordered access.

- This does not mean you have to be a pushover. "We have to have a broad mind, be persuasive and be very firm," says Wyoming cattleman Paddy Bard.

- Get details in writing.

- Get information. Before you sign a lease or deed, gather as much information as possible.

- Mineral companies do not have a free meal ticket. With few exceptions (in Texas, for example) you must be compensated for surface damages. How much you receive varies by state and federal law.

- Get all concessions or stipulations up front before signing any lease. Once a lease is signed, courts often permit damage to the surface property—including tree cutting, employee housing, waste lagoons, noisy compressors, and secondary injection facilities—over the objections of surface owners.

- If you hold a federal grazing lease, the mineral operator has quite a bit of leeway in "exploring" for minerals without your permission. If you and the mineral lessee cannot agree on development terms, they can enter the surface without your permission after posting bond. However, as a federal grazing lessee, you can also sue the mineral operator in federal court.

- Lastly, "get engaged," as rancher Eric Barlow says. "That's paramount. Read the legal notices in the newspaper. That's often the only time you'll find out what's going on. I keep in contact with the oil and gas commission and visit the BLM office every three or four weeks."

Cows, coal, oil and lawyers

(continued from page 9)

Blancett has a point. A Department of the Interior evaluation summary in July 2000 took the Farmington Field Office of the BLM to task for numerous shortcomings, including inadequate personnel, insufficient oversight "at all levels of management," inadequate documentation of inspections, and a well-permitting software program so "corrupted and inadequate that it is recommended that all inspections except for those critical . . . be suspended."

It wasn't always this way, contends Blancett. In the 1960s, '70s and '80s, "we had excellent relations with the oil and gas industry," she says. "If they cut a fence, they fixed it; when they drilled a new well, they'd ask where it would have the least impact on our watershed; when they built a road, they made sure it benefited both parties."

The number of operators leads to less accountability. "Instead of having two majors, we have 19 minor league operators. Nobody wants to take responsibility for a broken cattle guard," she says.

Answering to the future

Oil and gas operators leave "footprints on the surface that are bigger than what's explained in the EIS [Environmental Impact Statement]," says Barlow. "I can still see the seismograph lines shot on my ranch over 20 years ago."

Barlow emphasized that the split-estate rancher should, if possible, have the mineral operator commit to a plan. "We have 6,000 acres of our ranch in which three companies have leases. Here's what I tell these guys: Bring us an all-encompassing, comprehensive, coordinated master plan for development. Pipelines, water disposal methods, roads and electricity. They didn't know what to do. They came back with a plan for 2,200 acres. They went away and haven't been back."

Bard has sympathy for split-estate ranchers who see surface lease agreements as a way to earn extra cash. "In ag, you need a gimmick to stay alive. You better be able to support your income. Don't condemn those who are taking an active part in developing minerals on their land. It may be the only way they survive." ■

Who's to say?

(continued from page 15)

states that sound science needs to be used in guideline development, but ethical considerations need to be taken into account also. "We're dealing with a living being that has the ability to emote, and therefore we're under a whole different class of scrutiny," she says. Swanson believes that animal care guidelines cannot try to micromanage and they must talk specifically about practices that should not be used.

"There has never been another time in history when producer groups had the opportunity to describe what it takes to produce their product. Everyone in the production chain has a responsibility," Swanson says.

She advises producers to talk with those further up the chain. "All groups involved in animal agriculture have mutual interests and responsibilities to consumers. Both consumer confidence and public assurance are essential to success. Open communication involves risk because the producer has to expose his costs with his customer, but this risk applies to all parties involved."

The Animal Agriculture Alliance (AAA) is also promoting the development of animal care guidelines. The Alliance has formed an advisory group to help coordinate guideline development. "Our goal is to develop a program by which guidelines can be deemed credible and science-based," says Johnson. AAA's Principles of Animal Care are used as the foundation for professional animal care. The alliance is working with other organizations that represent producers, retailers and food service operators to develop one set of guidelines for each species. ■

For more information, NCBA leadership recommends that producers take advantage of available resources for employee training programs. The National Institute for Animal Agriculture (www.AnimalAgriculture.org) has several pamphlets and videos that offer common-sense recommendations for animal care.

For a copy of the NCBA guidelines, contact Gary Cowman, Executive Director and Co-Leader, Research and Technical Services. Another resource is the Animal Agriculture Alliance, www.SoundAgScience.org

A Wal-Mart future

(continued from page 16)

society will be happy. For now, though, beef—which, like it or not, means cattle—must compete in the world as it is. Not as it was back when granny killed her own chickens.

So it is good that the National Cattlemen's Beef Association seems, finally, to be serious about finding ways to make the new system work right. For that system to work right, we must find reliable ways to fairly compensate producers for producing the cattle that consumers want to buy. Then, if independent producers are to survive, they will need to find ways to participate.

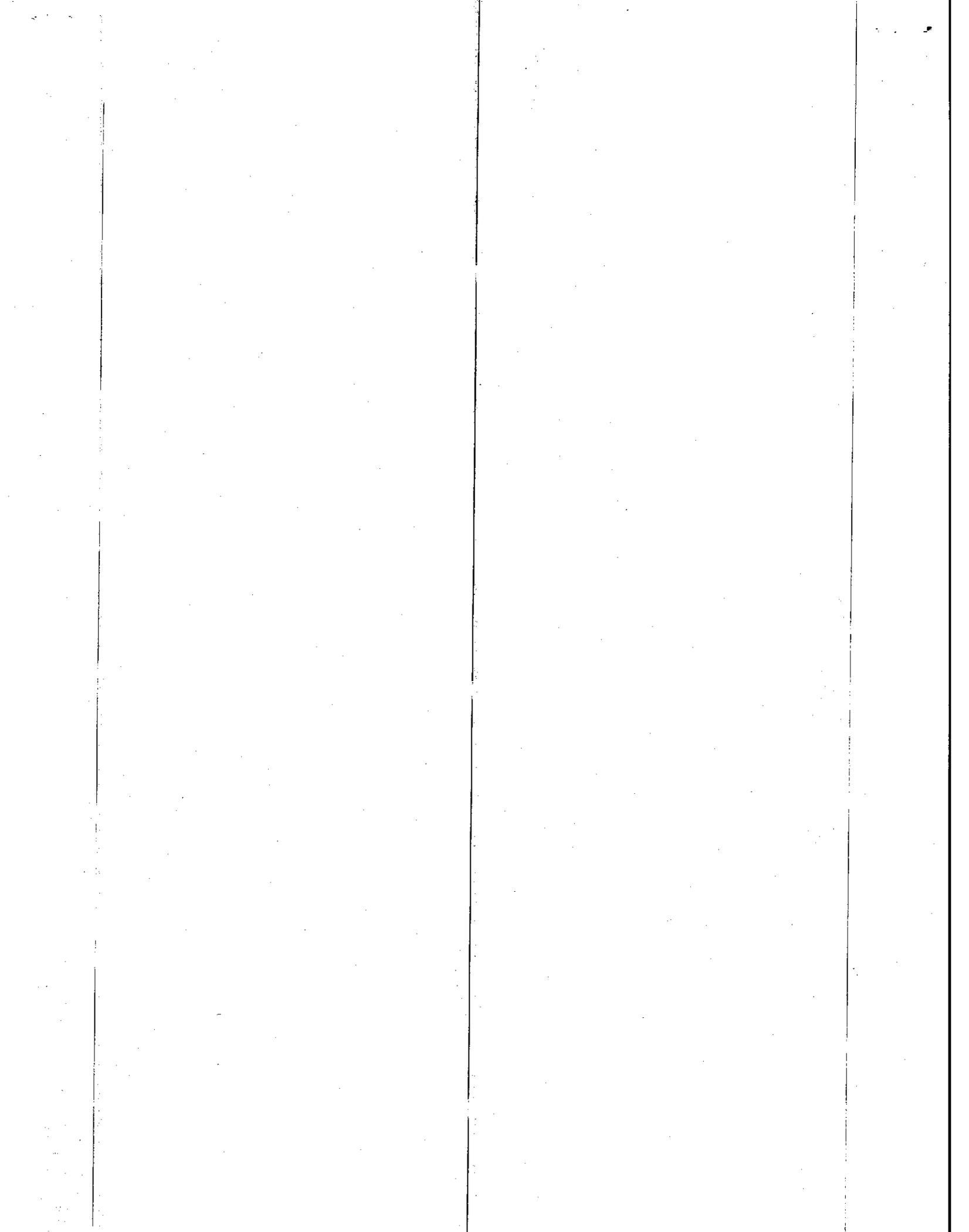
NCBA's price discovery think tank is at least a start in that direction, although it seems all they've done so far is identify roadblocks. But as they sort through the alternative solutions, if they stick with it this time—and with R-CALF and the populist hordes breathing down their necks they may do so—they might be able to find something they can agree on.

Hard to say what it will be. One might assume it will involve some sort of pricing system tied to the post-harvest merchandising. Maybe boxed beef. Maybe the accurate retail price series we've never had. But chances are, it won't be a system like the old one that allows anybody who wants to grow whatever kind of cattle he wants to grow "equal access" to packers.

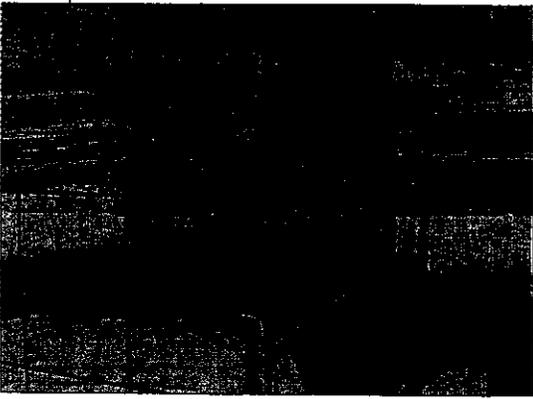
It's possible, though, that we may not be able to find an adequate "access for all" system that depends on bid-and-ask economics. It may be that beef—like most products at Wal-Mart—must finally be priced on a cost-plus system.

Any such system will work for the nimble. Even with Wal-Mart dictating the terms, lots of small towns have independent grocers and auto parts stores and hardware stores. What NCBA's think tank needs to concentrate on is devising a system that will bring along as many of its members as possible. The people in this industry should be willing to settle for a level playing field and a fair set of referees.

Folks in the country are not certain we have either right now. Even fewer think it will stay fair if we don't adjust the system soon. ■



OUR FUTURE AT STAKE?



On January 18th, 2003 the Bureau of Land Management released the Final Environmental Impact Statement on the development of 40,000 new coalbed methane wells to be drilled over the next decade in the Powder River Basin. Eight million acres in the Basin will be opened up to drilling. Over three quarters of the development will take place on privately owned surface overlying minerals owned and controlled by the BLM. This mixed ownership of surface and minerals is known as the "split estate", and under current law the rights of the mineral lessee are dominant over the surface owner. This situation places a significant burden on the surface owner.

So far, around 14,000 wells have been drilled in the Powder River Basin. Read the following testimonies of eleven families and individuals, and learn how more and more private property owners, through no fault of their own, are falling victim to the unfair leasing and development of coalbed methane. Learn about the changes needed to strike a balance between developing our energy resources and protecting Wyoming families and their property. We believe all Wyoming residents can benefit from the development of these resources without sacrificing our land, our water, and our way of life!



Powder River Basin Resource Council
23 North Scott Suite 19
Sheridan WY 82801



Encouraging Responsible Development Today...

_____ For Tomorrow...



Photo: Ann Fuller

Westerners are being told they must sacrifice their land, their water, and their way of life for energy development. The Powder River Basin is the primary target of an ambitious federal energy campaign that will forever alter the natural and human landscape of this area.

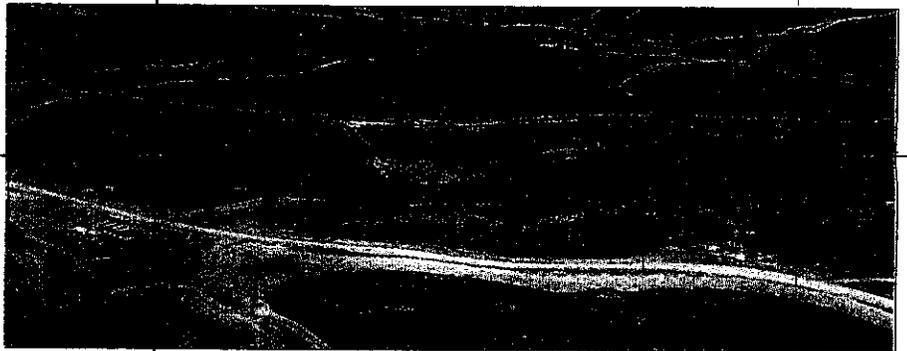


Photo: Ann Fuller

BLM predicts that 194,000 acres in the Powder River Basin will be "disturbed" by coalbed methane related facilities. James R. Kuipers of J. Kuipers Engineering in Butte, Montana, estimated the total reclamation liability for CBM in the Powder River Basin at over \$1 billion. Unless bonding requirements are raised, taxpayers and landowners will foot the bill.

Let's do it right! Our future depends on it.

NONPROFIT ORG.
U.S. POSTAGE PAID
SHERIDAN WY
PERMIT NO. 38

ED SWARTZ

"Coalbed methane development is threatening to destroy my ranch operations."

I am a third generation rancher in the Powder River Basin, and I hope to pass this ranch on to my son and my grandchildren. But coalbed-methane development is threatening to destroy my ranch operation. As a result of methane discharge water being released into Wildcat Creek, the soils in the creek bed on my ranch are now loaded with salt deposits, which have killed the vegetation and eroded the creek bed. The grass in that creek bed used to be waist high, and it provided a lot of winter grazing. The next flood event could wash the salt deposits out of the creek bottom and destroy my hay meadows. These same meadows have been irrigated in every flood since about 1901, but



Photo: Ted Wood

now I can't take advantage of my water rights to irrigate the meadows. Without the hay meadows, I do not have a viable ranching operation.

According to Montana's Department of Environmental Quality (DEQ) in a letter dated January 2, 2001 to the Wyoming DEQ, each CBM well in the Powder River Basin produces an average of 20 tons of salt a year. If you do the math on the 51,000 wells proposed in the Powder River Basin, it comes out to 1,020,000 tons of salt going into our shallow aquifers and our ephemeral drainages and onto our soils for every year of production. What damage will be caused to the soils and vegetation from all this salt?

RON MOSS

"The methane was so bad in our well that the water hose would blow out of the tank unless I held onto it."

My wife and I moved to Gillette, Wyoming fifteen years ago and bought a house and 20 acres in a rural subdivision ten miles west of Gillette. When drilling for coalbed methane began east of our home, I met with three coal bed methane producers who assured me that nothing would happen to our drinking water. But we started to get methane in our water after they started drilling. The methane was so bad in our well that the water hose I used for filling the horse tank would blow out of the tank unless I held onto it. A State of Wyoming official told my wife not to light a match near the source of water. I talked to the methane producer and was told they would be happy to monitor our well, but that I would have to prove they were the



cause of our problems. The dreadful noise generated by a nearby large compressor station was also a problem. I am talking about noise that sounds like a jet plane circling over our house 24 hours

a day, and drives people to the breaking point. My neighbor called the sheriff, state officials, and even Governor Geringer and was told nothing could be done about the noise. Then in 2001, my wife suffered severe asthma attacks on four different occasions from all the road dust associated with the development. Even with medication and the use of a Breathalyzer she nearly had to go to the hospital emergency ward to get help to breathe. We are finally licked. Our dream of living in our retirement home has been shattered.

ART HAYES

"Proposed standards will substantially increase the amount of methane wastewater allowed in our rivers..."

As a Montana irrigator and president of the Tongue River Water Users Association, I am confident that the [MT DEQ's] proposed rules—which will allow salts to be dumped into the Tongue River Reservoir and rivers—will decrease productivity in southeastern Montana's irrigated soils, render some fields worthless, damage fisheries, and harm any business even remotely tied to southeastern Montana's agricultural economy. Southeastern Montana irrigators—and we number in the hundreds and contribute to nearly 10,000 farm-sector jobs in the area—need water



quality standards that protect all current irrigation practices and the soils and crops in the area. The MT DEQ's proposed standards won't do that. Instead, they'll substantially increase the amount of methane wastewater allowed in our rivers, shifting the costs of methane development onto the backs of family farmers and ranchers in southeastern Montana.

Art Hayes Jr. owns and operates a cattle ranch along the Tongue River with his family. He oversees delivery of 60,000 acre-feet of irrigation water to Tongue River irrigators.

BEV & ROLAND LANDREY

"The value of our little ranch has dropped to practically nothing with no water supply."

On September 2nd, 2002,

our artesian well quit flowing. That well produced 50 gallons a minute for 34 years, and it supplied our home and our entire ranch operation with water. I discovered on the Wyoming Oil and Gas website, that Pennaco had been drilling in that area for 2 to 3 years and had 61 methane wells pumping water submersibly, but not yet producing gas. These were all within a 10-mile radius of our ranch, the closest one being about 4 miles away. We felt that kind of concentration of wells could have made our well fail, so I called an independent well driller who has drilled water wells in the area for years. He said that a lot of wells had quit flowing, and that in time all the artesian wells would quit, due to the dewatering, with the deepest ones going first. Our well was a deeper one, 890 feet. When I contacted Pennaco (now Marathon), they monitored our well for a week and then said they were not respon-



sible for our well failure. That is the only contact we have had directly with them. We have been in contact with the Coalbed Methane Coordination Committee in Buffalo, the State Engineer's Office, the Wyoming Oil and Gas Commission, one state senator and U.S. Senator Enzi. On Feb. 17, 2003, we had a letter from Senator Enzi's office telling us we could expect a letter from the State Engineer's Office in 2 or 3 weeks.

My husband will soon be 84 years old and I am nearly 71, and we have been hauling water in gallon jugs from the neighbor's for our house use, and the neighbor hauls water to put in a tank for our horses. We travel 40 miles to Buffalo to do our laundry. The value of our little ranch has dropped to practically nothing with no water supply.

ROBERT & NANCY SORENSON

"For the first time in our ranching career we have witnessed degradation that I fear is irreversible."

We have lived for the

last 29 years on a cattle ranch in the Powder River Basin in Northern Wyoming, and my husband's family has pioneer roots reaching back over 100 years. This semi-arid environment only allows so much disturbance before the land is stressed to the point that a living can't be made. In October 1999, a coalbed methane company approached us about drilling on a state-owned section of land that we lease. After consultation with the State Lands Office, we attempted to reach a Surface Use Agreement with the company that was in line with our philosophy of sustainability. The company rejected the agreement, but the State Lands Office allowed development operations to begin. A substantially weaker agreement was later offered to us by the company, which the state urged us to sign. We did.

Next, we tried to get the company to live up to the agreement that it had authored. Prior to commencing operations the company was supposed to provide us with a map. We finally received one six months after commencement of operations. There were to be no overhead power lines, but the company went ahead and constructed them anyway.



The company also failed to discuss water management plans with us prior to beginning operations as it had agreed. Over time the company has violated at least eight provisions contained in its agreement, and for the first time in our ranching career we have witnessed degradation that I fear is irreversible.

We have negotiated and signed thirteen separate agreements for various aspects of the coalbed methane play, and in not one of those negotiations could we afford the option of not signing. In not one of those agreements were we able to maintain the control we need to assure the long-term sustainability of our ranching operation. Every time we signed one of those agreements, we were aware that we were giving up pieces of our property rights that neither we, nor our successors will ever be able to recover. Every time we signed one of those agreements, we were aware that we were helping to erode the property rights of our neighbors and of everybody in Wyoming because of our participation in a system that is fundamentally inequitable.

GEORGE SMITH

"All I'm asking for is the same compensation my neighbors are getting."

I would like to express a few concerns about J.M. Huber Corporation, who bullied their way onto my property on Beatty Gulch. Without the mineral rights, I couldn't deny them access. They crossed onto my property and didn't even ask me where to drill. I have tried to strike a fair deal with them on surface damages for over a year and a half, with no success. All I'm asking for is the same compensation my neighbors are getting. Then, after they saw my picture on the front page of the January 17th *Sheridan Press*, Huber decided they wanted to reopen negotiations. I finally shook hands on a verbal agreement with three of their representatives the next day, on



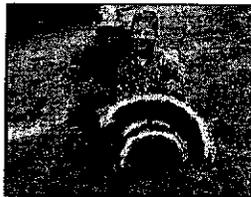
January 18th. They said they would have that agreement ready in writing by 1 p.m. that same day. The only problem was they had changed the agreement. Then they said if I didn't sign that day, the deal was off. They just lie to you. They're deal welchers! After that, they tried to get a restraining order to keep me off my own place.

A handshake is good in Wyoming, but evidently not in New Jersey, where their company is based. They may treat people back there like this, but they can expect the people in Wyoming to stand up for what they believe is fair and just.

PETE DUBE

"What irks me is you have to be the one to prove the company caused the problem."

My wife and I own an outfitting business in Buffalo, Wyoming, and about eight years ago, we bought 5,000 acres in Campbell County as a place to run cows and winter the horses we use for outfitting. The bulk of the minerals under our land is owned by the BLM. My experience with coalbed methane began as a nightmare of negotiations with a company called CMS. They were one of the biggest coalbed methane "players" in the Powder River Basin before they sold out their interests in 2001. It took me more than two years to reach an agreement with the company, and I spent at least \$5,000 in lawyer's fees. Then I discovered methane gas seeping up the side of my stock well. I was forced to dismantle the well cover to relieve the pressure of the venting gas, and the pipes to my stock tank froze. Finally CMS responded by fencing off the well and posting the enclosure with danger signs. The well was in a culvert, and from October till May of the next year it was bubbling water and gas like a pot of boiling water. I had to have a sump pump put in the well, at my



cost. CMS finally took responsibility for the situation. They had to plug an old drill stem located nearby the water well and also pump concrete down the sides of my water well to seal off the gas and water. Then they placed a new pump in the well. What irks me is you have to prove the company caused the problem.

That episode was before any development was placed on me. Since that time there have been 13 wells drilled on my land, and the problems continue on multiple issues. They are a never-ending source of headaches. If I had the mineral rights there would be no development on this land. I don't blame my neighbors for wanting to make some money on this. That's their business. But for me this is not about money. This is the only ranch I've got. I was out riding in those hills and looked down at what's happening to the country, and I thought, this must be how the Indians felt when they saw the covered wagons coming: There goes the neighborhood.

What PRBRC Stands For

- The preservation and enrichment of Wyoming's agricultural heritage and rural lifestyle.
- The conservation of Wyoming's unique land, mineral, water and clean air resources, consistent with responsible use of those resources to sustain the livelihood of present and future generations.
- The education and empowerment of Wyoming's citizens to raise a coherent voice in the decisions that will impact their environment and lifestyle.

DALE ACKELS

"Why, in a state where property rights are sacred, don't I have any when CBM is on the table?"

In most of the West, subsurface ownership rights take precedence over surface rights. Not only am I a restricted owner of my property, but, under Wyoming case and statute law, I have no legal right to compensation for damage done to my property by subsurface owners. As a sop to public opinion, and as a "favor" to us, the drillers will, upon request, offer the surface owner a damage agreement, but as you would expect, the document basically says, "Nothing that goes wrong is our fault." If you protest or refuse to sign an agreement you know to be flawed, the drillers may post a minimal bond (in the amount they deem appropriate to repair the damage they will cause), or they may post no bond, leaving you with no choice but to go to court over the damages. At that point you have no further control of your surface and the driller can come on your place and do anything he wants without your permission. One of the



things I have the hardest time understanding is why in a state where property rights are sacred, I don't have any when CBM is on the table? I get to pay taxes on my property, but I can't control who comes on it and what they do when they get on it, and the state legislature says that's just one of life's little inequities. How does that happen in the first decade of the 21st century?

Dale and his wife, Bet, came to Wyoming about eight years ago and bought a 50-acre farm on Lower Prairie Dog Creek. They did not acquire the mineral rights to their property. Now, with CBM development encroaching upon them on three sides, Dale has put his property up for sale and is planning to leave Wyoming.

BILL & MARGE WEST

"We lost approximately 100 acres of prime hay meadows, which is the heart of the ranch."

Devon Energy began developing coalbed methane above our property in 1999, and they discharged the water into Spotted Horse Creek. That creek is normally dry for most of the year, but now there is often salt-laden water running down the creek throughout the year. The water flooded our hay meadows and killed about 200 giant cottonwoods. We lost approximately 100 acres of prime hay meadows, which is the heart of the ranch. They finally alleviated the flooding, but they did nothing to repair our hay meadow or replant any cottonwoods. So my husband tried reclaiming the meadows himself. We don't know if it will work, but we'll find out this spring.



Last fall Devon decided to build three methane water discharge pits on our leased State School Section. So Bill went out with them and showed them where he thought they should be located. First off they built one of them in the wrong place and then told Bill he just "forgot" where he'd told them to put it. But the worst part was, when they brought us the State Engineer's papers to sign, the "discharge pits" were listed as "stock water reservoirs." That way Devon could just walk away and not reclaim them, and Bill and I would be responsible. We had no choice but to refuse to sign the papers. It's been that way since the very beginning. Nothing but lies.

PRBRC provides in-depth information on the multitude of impact issues related to coalbed methane development and searches for ways to minimize those impacts. You can be part of that voice by joining the hundreds of citizens who are already members of PRBRC.

Membership Fees:

\$30 Individual \$40 Family \$20

Student/Senior/Scholarship

\$50 Contributing \$100 Supporting \$250 (or more)

Benefactor

Name _____

Address: _____

City _____ State _____ Zip _____ EMail _____

Phone _____ Mail to: PRBRC, 23 N.Scott, Sheridan, WY 82801

ERIC BARLOW

"Surface owners need statutory acknowledgement of their right to use and enjoy their property."

My family has been dealing with conventional oil wells on our ranch for the past forty years, and we understand what the impacts are. I can still see the seismograph lines that were shot on this ranch over 20 years ago during the oil boom, and my family is still trying to get the BLM to clean up the idle wells and all the associated infrastructure that was left on our land. And now we're looking at having CBM development too.



Photo: Adam Jahiel

they already provide Notices of Intent (NOI) and Plans of Development (POD) to regulatory agencies for various activities. Why are they incapable of providing the same thing for

the surface owner?

Surface owners need statutory acknowledgement of their right to use and enjoy their property. This includes the right to participate in the development of oil and gas underlying their property in split estate situations. The federal government could step up and take a more proactive role when they hold the mineral estate. They could ensure that the surface estate is given equal value to the mineral estate in the master plan, that development cannot occur before a surface use agreement has been negotiated, and that as development proceeds, the rights of all stakeholders are equally protected. There is beginning to be general acknowledgement on the part of our elected officials, administrators and policy makers that these issues must be addressed before CBM development can proceed smoothly, but a discontinuity still exists among the participants. Now it is time for all parties to become proactive.

The last traditional oil well drilled on this property cost about \$1.5 million. You can drill about 20 or 30 coalbed methane wells with \$1.5 million. With CBM, there's a higher return on your investment, but there's also a much bigger imprint on the land. At what cost to other valuable resources will we be extracting the coalbed methane? Over 6,000 acres of our ranch have been leased by one company for CBM. I requested that they bring us an all-encompassing, comprehensive, coordinated master plan for development: Pipelines, water disposal methods, roads and electricity. They came back with a plan for a minimal portion of the lease. Notification and planning requirements are not new to industry, as

MARY BRANNAMAN

"The CBM industry can't just run over landowners because they don't hold their mineral rights..."

Paxton didn't even give us the courtesy of a phone call when they started exploring for CBM on our ranch. We didn't even know our land had been leased. But because we didn't own any minerals, they were able to coerce us into signing a surface damage agreement before we knew as much as we know now. The next time, they showed up with a D-9 Cat, dropped the blade, and went right up the hill, pushing topsoil out of the way like it was snow. They sliced right across our pastures to cut roads to their wells, and in winter these roads turned into deep trenches. They cut enormous gouges into the hill-sides for well pads, and dumped the topsoil over the bank. They dug ten wells and then capped them, packed up, and pulled out, leaving a bunch of garbage for us to clean up. I guess they were in a hurry to secure their lease.



Photo Ted Wood

well pads. And not one cubic foot of gas has ever been pumped out of those wells.

In February of 2002 we sued Paxton for the terrible damages they inflicted on our land, and for the loss of income we suffered due to their presence. Paxton did a lot of manicuring on our place after that, but only because the Oil and Gas Conservation Commission ordered them to start reclamation, as it had been two years since they had capped those wells. So now the well sites are all beautifully contoured, but nothing will grow on them because they mixed up good topsoil with subsoils containing high concentrations of salt. The case went to trial this February, and a 12-member jury awarded us the full amount of damages we asked for: \$810,887. It won't replace our ranch, but we hope it sends a message to the coalbed methane industry that they can't just run over landowners because they don't hold their mineral rights, and get away with it. This is more than a monetary issue. It's about responsible stewardship of the land. And it's about treating people and their land with respect.

Before Paxton came onto us, you could get on your horse at the barn and ride up into those hills and leave everything else behind. There was nothing but an old cow trail going up there. Now you're never out of sight of that ugly red shale road and all the red spurs leading to the

PRBRC is working to pass surface owner protection legislation at the state and federal level.

YOU CAN HELP

Contact Governor Freudenthal about the need to ensure responsible methane development. Ask him to help level the playing field and give surface owners a fair deal! (governor@missc.state.wy.us)

Tell your congressional representatives:

To require *surface owner consent* before state or federal leaseholders may enter private property for the purposes of exploration or development. Coal mines fall under this requirement. Shouldn't the CBM industry be held to the same standard?

To require mandatory *Surface Use and Damage Agreements* between landowners and oil and gas operators before development begins.

To increase reclamation bonds to levels that will cover all damages!

Endorse surface owner rights legislation. Sign your name in the box below and return to PRBRC, 23 North Scott, Sheridan WY 82801

Landowners need a real voice in how oil and gas development occurs on their private property!

I support state and federal surface owner rights laws.

Name _____ Date _____

For more information, call Powder River Basin Resource Council: 307-672-5809 or visit our website at powderriverbasin.org.

Wyoming Congressional Delegation:

U.S. Senator Craig Thomas
craig@thomas.senate.gov
(202) 224-6441

U.S. Senator Mike Enzi
senator@enzi.senate.gov
(202) 224-3424

U.S. Representative Barbara Cubin
You may email Rep. Cubin by accessing the following website:
<http://www.house.gov/cubin>
(202) 225-2311

"Perhaps it is not yet time to grieve, but to ponder whether what the world wants from Wyoming is worth more than what Wyoming already offers the World."

T.A. Larson, Wyoming Historian

SUITABLE LAND Damage Case

SP 25-03

■ CBM drilling sites at Brannaman Ranch allegedly unsuitable for plant growth

By Robert Waggener

Staff reporter

Sites where coalbed-methane drilling took place on the Brannaman Ranch are now unsuitable for plant growth because of high salt content, according to a Montana State University professor.

Dr. Douglas Dollhopf, a professor of soil science and land reclamation at the Bozeman school, testified Tuesday that CBM crews put topsoil and poorer subsoils in the same piles and then spread the mixed dirt on disturbed sites.

Dollhopf said the mixtures, on average, had a salt content 16 times higher than adjacent rangeland on the ranch six miles southeast of Sheridan.

"A high salt content impairs plant growth," he said.

Dollhopf testified during the second day of the civil trial pitting the ranch owners, Mary and Dan "Buck" Brannaman, against the developers of CBM on their property, Michigan-based Paxton Resources LLC.

This is the first such trial in the Powder River Basin counties of Sheridan, Campbell and Johnson, where most of the CBM drilling is occurring.

The Brannamans claim Paxton caused excessive damage to their property during drilling activities in early 2000, and they are asking for unspecified compensation. The total loss is estimated at more than \$280,000, according to court documents.

Several area ranchers attending the trial told The Sheridan Press the case could have a significant impact on damage agreements between drilling companies and landowners not owning mineral reserves, like the Brannamans.

Under questioning by his attorney, Jay Gilbertz of Sheridan, Dollhopf said that to ensure proper reclamation, topsoil is first stripped and stockpiled, and then subsoils are removed and placed in separate piles.

When drilling is completed, subsoils are placed in disturbed areas first, and then topsoil is laid down prior to seeding.

Since that didn't happen at the six well sites on the Brannaman Ranch, Dollhopf said, the only way to properly reclaim the sites is to haul in good soil from elsewhere.

Dollhopf said he was disturbed that fill material was spread over undisturbed rangelands near well sites, covering live grass and other plants.

"The rangeland had been buried by this fill material," Dollhopf said.

At the location of one drilling pad, he said, the fill material was compacted so badly by heavy equipment during reclamation that it would support little plant life.

"About three-fourths of the pad had the consistency of concrete. We had to chip away at the soil to get a sample," he said. "This area was very unsuitable for plant production."

'A high salt content impairs plant growth.'

— Dr. Douglas Dollhopf

Soil science and land reclamation professor

hood from training horses and running horsemanship clinics, not operating a cattle ranch.

Huber also asked Brannaman why he wouldn't release information on the value of his pasture lands when he claims some of those lands were damaged.

The jury trial continued this morning in 4th Judicial District Court. Mary Brannaman and a representative of the oil and gas industry were scheduled to testify before the plaintiffs rest their case.

Paxton will then present its case. The trial is scheduled to last through Friday.

the ranch had no cattle in 1998 and very few cattle in 1999 — prior to any drilling.

Paxton's attorney, Kevin Huber of Casper, asked Brannaman if the couple ran cattle on their ranch in 2000 — after drilling took place.

Brannaman admitted they did, saying they had up to 200 during the grazing season.

Huber also questioned the 729 figure prior to drilling, asking Brannaman for proof.

"That's between you and your neighbor, isn't it?" Huber asked.

Brannaman admitted he makes most of his liveli-

CBM

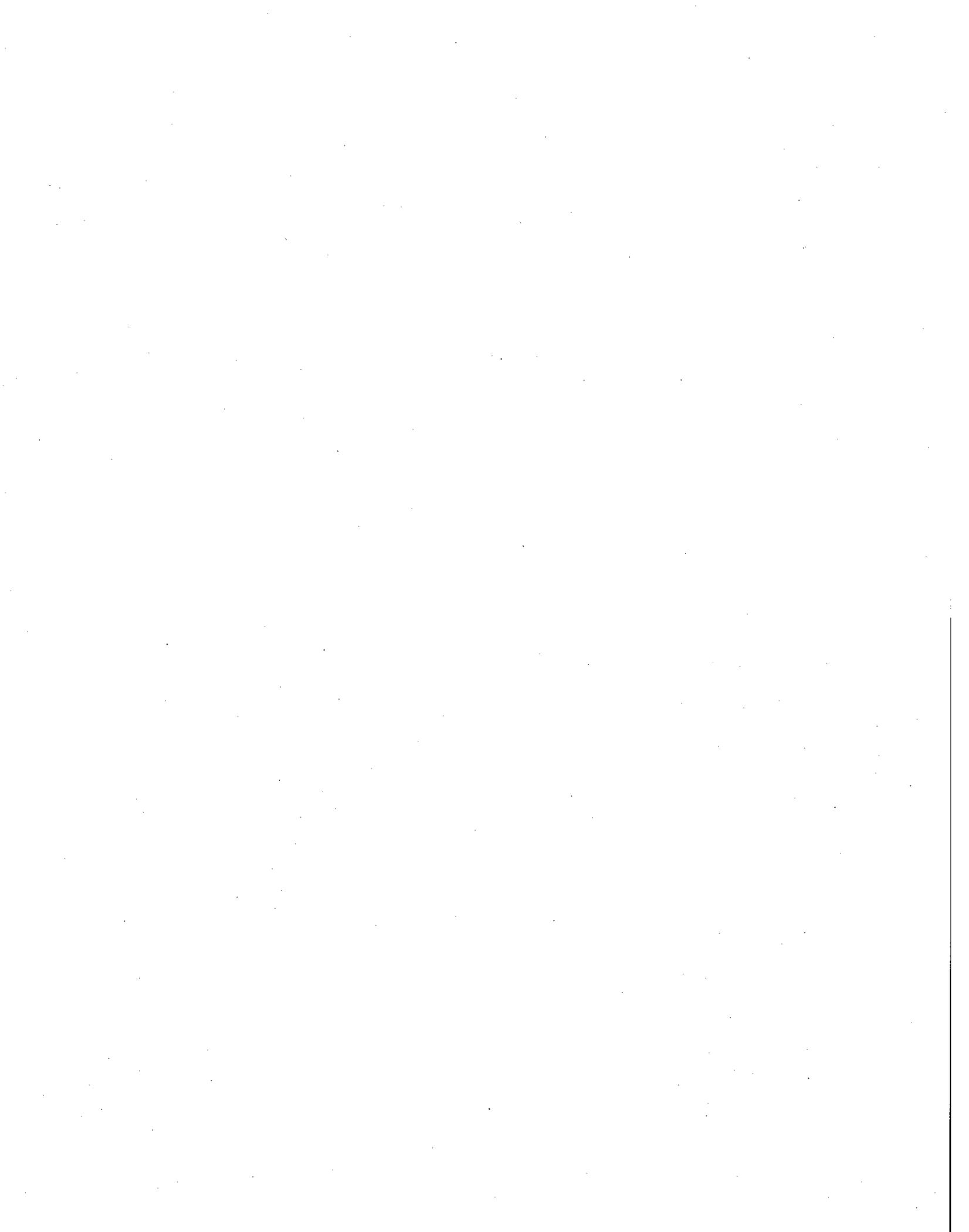
(Continued from Page 1)

The lawsuit says damage caused by Paxton hurt Brannaman's horse business, forced the couple to sell cattle because of damaged rangeland, and devalued their property in general.

Buck Brannaman testified the 952-acre ranch supported an average of 400 cattle prior to drilling activities, and one summer he ran nearly 730 head.

But Brannaman said damage from CBM activities caused a drastic reduction in the land's carrying capacity.

During cross-examination, Brannaman admitted



Surface Land
Damage Case

Jury sides with ranch

■ CBM operator
will appeal
\$810,887 verdict

By Robert Waggener

Staff reporter

Paxton Resources Inc. failed to carry out coalbed-methane operations in good faith on a ranch east of Sheridan and was ordered by a jury to pay \$810,887 in damages to the ranch.

The 12-person jury ruled that the Gaylord, Mich.-based company breached its surface and damage use agreement with the Brannaman Ranch.

It handed down its verdict Friday night following a five-day trial in 4th Judicial District Court.

Dan Buck and Mary Brannaman filed a lawsuit against Paxton in February 2002, claiming the firm's CBM operations caused permanent resource damage to their land, interrupted their horsemanship clinics, and forced them to sell cattle.

WRP 2/18/03
SHERIDAN PRESS

Several ranchers attending the trial said the verdict could have a major impact on how future CBM operations are carried out in the Powder River Basin.

"We feel we were leading the charge for landowners that didn't have the means to take their cases as far as we did," Mr. Brannaman told The Sheridan Press.

"Really to us, this boils down to more than a monetary issue. It boils down to a moral issue in terms of coalbed-methane operators taking care of the land," he said.

Paxton Resources President Greg Vadnais said his company will appeal the decision to the Wyoming Supreme Court.

"The coalbed-methane industry had better give some careful thought prior to entering into anymore surface-and-use agreements in Wyoming," Vadnais said.

"If we were operating under the terms and conditions of the oil and gas lease, and not the surface-and-use agreement we had with the Brannamans, we wouldn't be here today," he told The Press.

Vadnais testified his company made mistakes while developing CBM resources on the Brannaman Ranch and later made every effort to correct those problems.

Please see **Case, Page 2**

Case

(Continued from Page 1)

But no matter what Paxton did, he said, the couple was not pleased.

"Anything we do doesn't satisfy them. That's the issue," Vadnais said.

One of the Brannamans' attorneys, Jay Gilbertz of Sheridan, asked the jury during closing arguments to award his clients at least \$810,000.

Gilbertz said this figure included \$515,000 for resource damage caused at nine well sites, most notably the destruction of about eight acres of topsoil.

He also said the Brannamans lost about \$238,000 in income because mismanaged CBM operations forced Mr. Brannaman to cancel numerous horsemanship clinics, and the couple also lost thousands of dollars because they were forced to sell cattle.

Mary Brannaman testified Thursday she wasn't pleased that drilling activity would be occurring on their ranch. But when she found out they could do nothing since they didn't own the mineral resources, she hoped the developers would treat their ranch with respect.

Brannaman said her hope quickly faded when CBM crews turned their roads into mud bogs, left trash on the ground, drove across fangeland, mixed topsoil with salt-laden subsoil, and let hillsides erode away — damage that went against their philosophy on how natural resources should be treated.

"Buck and I are stewards of the land," Brannaman said.

Vadnais said his company has also tried to be stewards of the land and has worked hard to develop good relationships with landowners.

Vadnais said he became involved in the

Brannaman dispute shortly after drilling started in early 2000, because issues between the couple and representatives of his company could not be resolved.

"It was obvious to me that the relationship had not improved," he said.

Vadnais said he sent an e-mail to the Brannamans apologizing for mistakes made on the ranch during the first few weeks of the operation, including driving heavy equipment down wet roads, causing a muddy mess.

"I apologized for that. I felt bad. I feel bad today," he said.

Vadnais said he also told the Brannamans that he would ensure any problems were fixed and later flew to Sheridan to meet with the couple and their attorney at the time, Charlie Hart, as well as Paxton's representatives.

During those meetings and subsequent work to repair damages and revegetate land on the ranch, Vadnais said, it became clear to him the Brannamans could not be pleased.

Vadnais said he then decided to suspend operations on the ranch because he believed the dispute would end up in court, and he didn't want to pump anymore money into the venture until the issue was resolved.

He noted the wells are still not producing natural gas today.

"We are painfully aware of that," Vadnais said.

Paxton's operations supervisor, Dan Roose of Rapid City, Mich., testified Thursday that the company received a letter from Hart in January 2000 requesting that numerous problems be fixed. Roose said all issues were resolved and then listed numerous items, including repairs to fence and gates.

A second letter was received from Hart

about a month later listing an even longer set of requests, he said.

These problems, too, were corrected, Roose said.

Roads were sloped and covered with gravel to help with drainage, a cattle trail was constructed along a fence, piles of topsoil were recontoured and a new gate installed, he said.

Roose said Paxton even suspended operations for about 1 1/2 months to accommodate Buck Brannaman's horsemanship clinics.

One of Paxton's attorneys, Kevin Huber of Casper, said in his closing remarks, "We've done everything we can to fix things out there, but they're never satisfied. We just can't win. What are we supposed to do?"

The Brannamans were also represented by Sheridan attorney Mike Davis, who implied during the trial that his clients had been unfairly painted as anti-coalbed methane.

"Were you trying to be treacherous toward Paxton Resources?" he asked Mrs. Brannaman. "No I wasn't. I don't think I was hard to get along with," she said.

Mr. Brannaman told The Press: "It's important to understand this was never an issue of Buck and Mary being anti-energy. I don't want to be out in a teepee rubbing sticks together for my energy source. In a nutshell the case was about protecting our land, and the rights of other landowners to do the same."

He added, "I hope this sends the message that individuals or companies are only as good as their word." This is the first such trial in the Powder River Basin counties of Sheridan, Campbell and Johnson, where most of the CBM drilling is occurring, according to district court clerks in the three counties.

Audubon

12/2002

[*Special Pullout Section*]

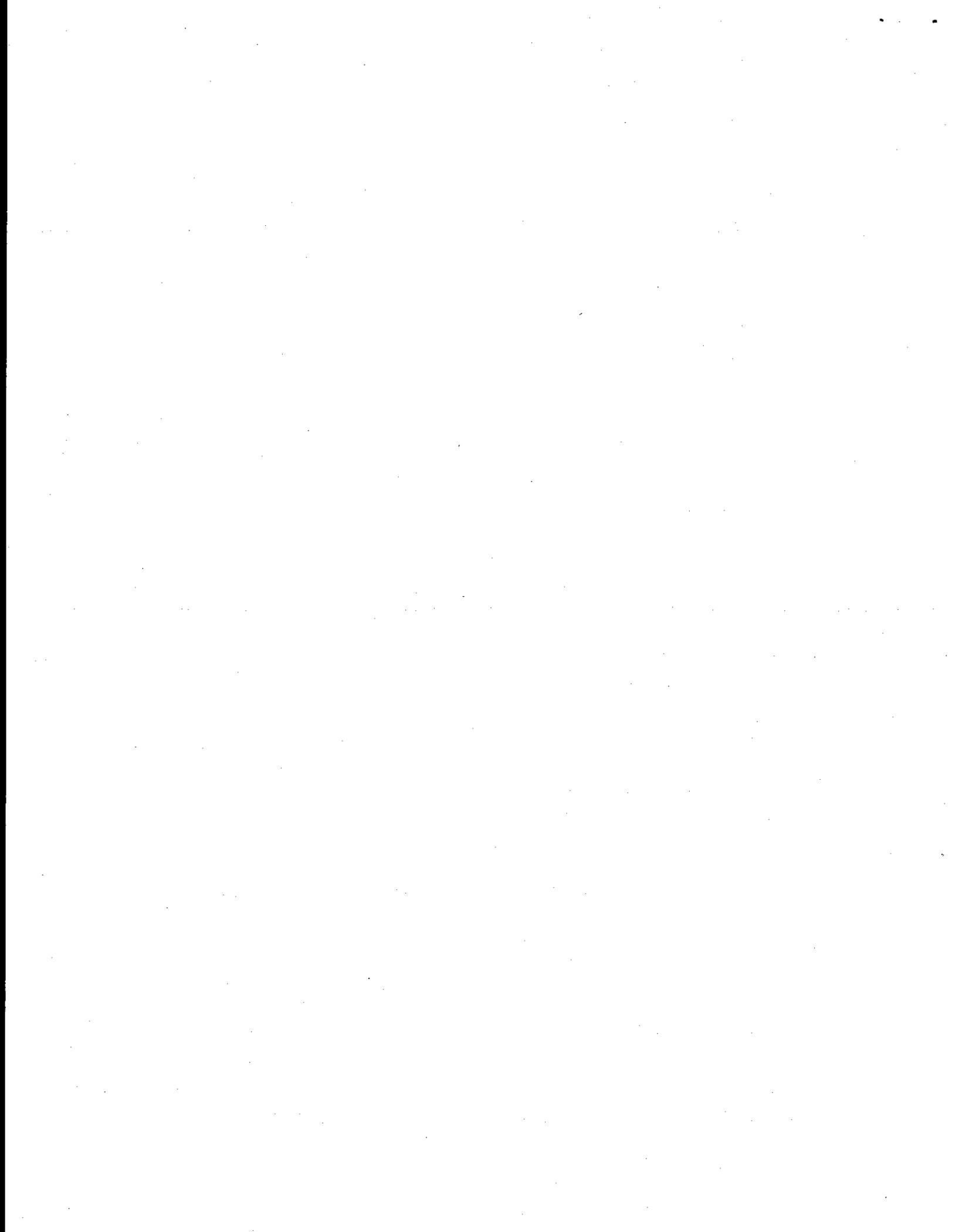
EYE ON THE FUTURE

SAVING OUR MOST IMPORTANT BIRD AREAS

PROTECTING THE BIGGEST PARROTS ON EARTH

RESCUING CALIFORNIA'S ANCIENT CONDORS





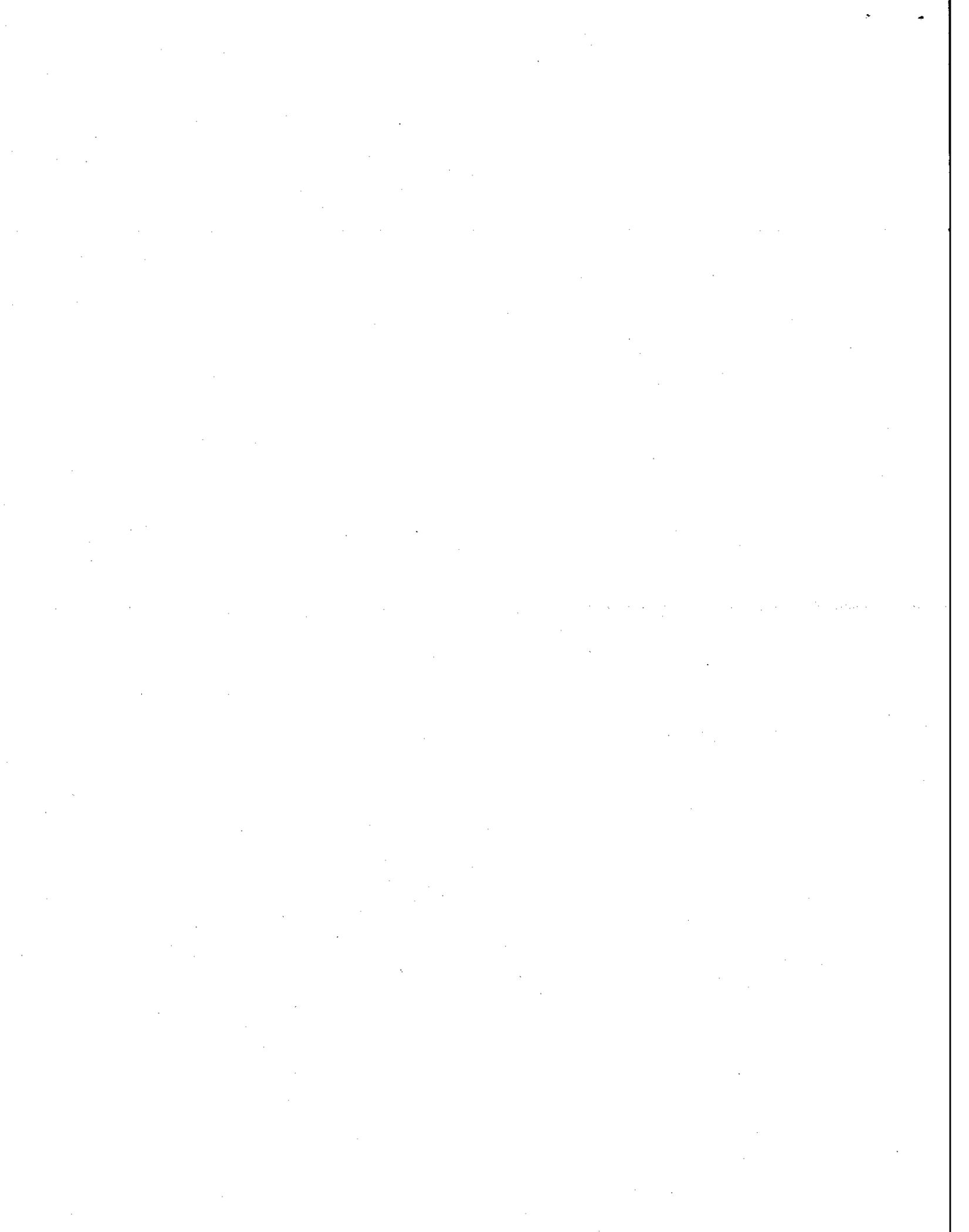


POWDER KEG

THE GAS INDUSTRY HAS BEEN BUSY IN WYOMING'S PRAIRIES AND GRASSLANDS, BUILDING THOUSANDS OF MILES OF ROADS AND SINKING MORE THAN 10,000 WELLS IN THE PAST THREE YEARS. BUT IN THE POWDER RIVER BASIN, RANCHERS ARE JOINING ENVIRONMENTALISTS TO TRY TO STILL THE DRILLS.

BY KEITH KLOOR/PHOTOGRAPHY BY RAYMOND MEEKS

One coal-bed methane well can discharge 20,000 gallons of water a day; operators often use atomizers (above) to turn the water into a fine mist, most of which evaporates before reaching the ground. But salt and other minerals still coat the soil, causing erosion and killing vegetation. A network of wells, roads, and powerlines (opposite) has turned the prairie into one of America's largest gas fields.



During the 20th century the long boom-and-bust cycles of strip mines and oilfields left their own indelible imprint on the landscape, in the form of sawed-off hilltops and abandoned "orphan" wells. Even so, ranchers and environmentalists have always taken solace that the deep and large gashes scarring the land were mostly confined to a few areas.

No longer. The latest boom to hit the Powder River basin has spread out in a chaotic patchwork, pockmarking the historic landscape with thousands of miles of powerlines, pipelines, roads, compressor stations, and wellheads. Methane is a natural gas found in the region's plentiful coal seams. Water pressure holds the gas in the coal; pumping the water out in large volumes releases the gas. The process also produces wastewater laced with sodium, calcium, and magnesium—too saline to be used for irrigation, too tainted to be dumped in waterways. So in a semi-arid region where water is precious, energy companies are forced to store the methane water in "containment" pits, from which it often runs into water wells and into the tributaries of the Powder River.

The resulting environmental damage in the Powder River basin has hit ranchers and the land equally hard. "It's so damn discouraging," Swartz tells me in a craggy voice tinged with resignation. "Everything I worked for, that my grandfather worked for, and that my son is working for is being wiped out." Over the years the family has endured many droughts (including the one the region is suffering today), its share of machinery breakdowns, and several diseases afflicting their cattle. But nothing compares with the poisonous runoff that is killing the ranch's vegetation. "They're [Redstone] using my place as a garbage dump," Swartz fumes.

About a year and a half ago, at the boom's peak, drillers were pumping 55-million-gallons-of-water-to the surface every day. Underground aquifers were being depleted and cottonwood trees flooded. The massive runoff of the methane-tainted water has become so alarming—polluting creeks and streams and altering natural river flows—that earlier this year the conservation group American Rivers named Wyoming's Powder River as one of America's Most Endangered Rivers for 2002. "There could

be 139,000 coal-bed methane wells in the Powder River basin by the end of the decade," says Rebecca Wodder, president of American Rivers, referring to energy-industry and government estimates. "Despite this, federal and state agencies have yet to formulate an adequate plan for minimizing the environmental consequences of drilling in the Powder River basin."

And they weren't about to until the U.S. Environmental Protection Agency (EPA) issued a report last May, slamming the Bureau of Land Management (BLM) for failing to assess

the fallout from coal-bed methane development. At the time, drillers were already having their way on Wyoming's private and public lands, owing to lax state and federal environmental safeguards. They had just set their sights on a mother lode of rich coal-seam deposits on BLM lands in the Powder River region. Then, with the bureau poised to give the operators a quick go-ahead, the EPA's report stopped them in their tracks, throwing into doubt the development of gas wells on 8 million public acres in Wyoming. In particular, the EPA cited concerns about air quality from dust and compressor emissions, and the impact on wildlife and water quality. The EPA report forced the BLM to redo its environmental-impact statement on 51,000 new gas wells slated for development on federal lands.

The reassessment, scheduled to be released in January, stands to reverberate through-

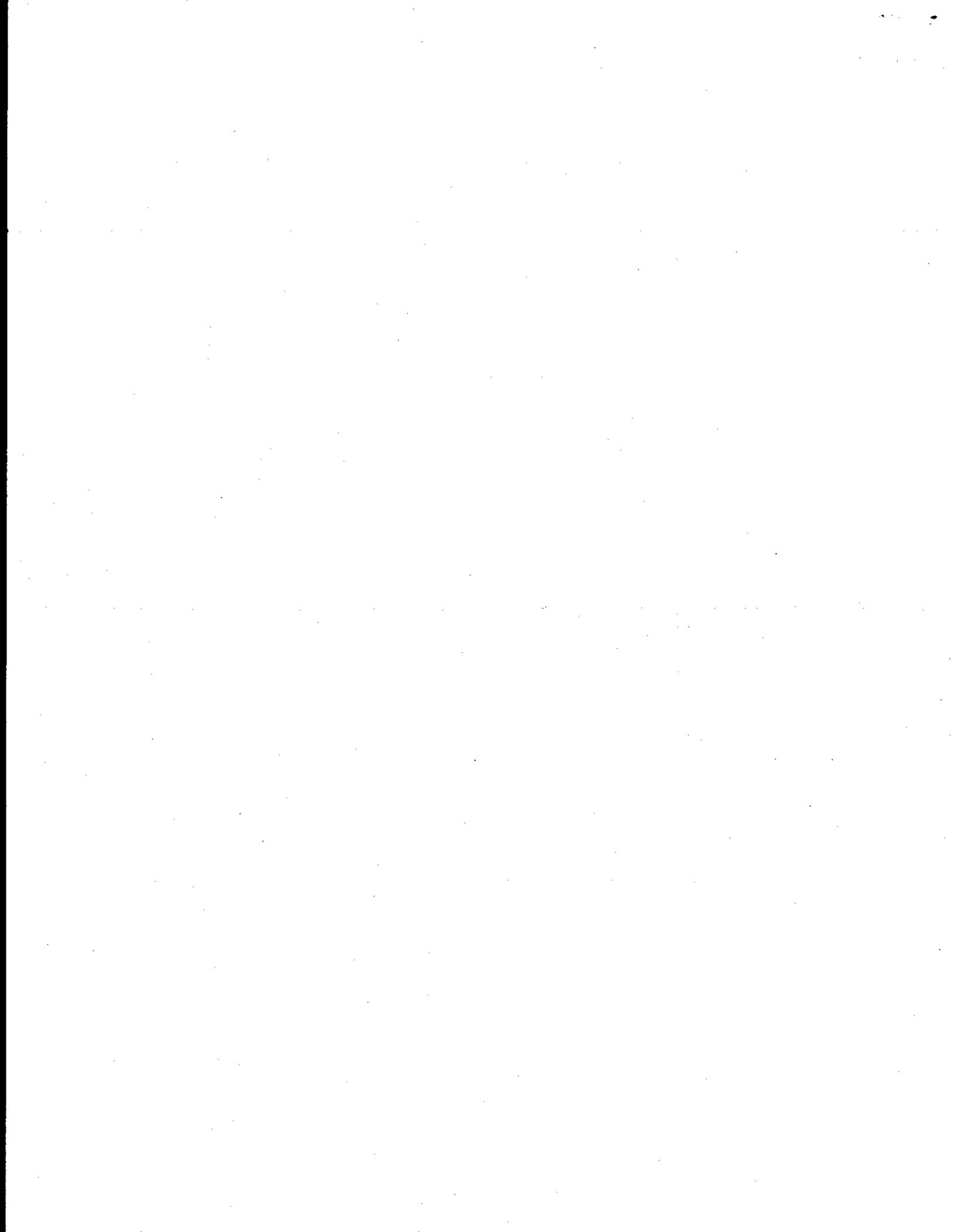
out the Rocky Mountain West, where a gold rush mentality has taken hold. Energy officials have called the area the "Persian Gulf of natural gas." Gas companies have already struck hard and fast in Colorado's San Juan basin; now they're waiting for the green light on federal lands to expand there and across Montana and Wyoming.

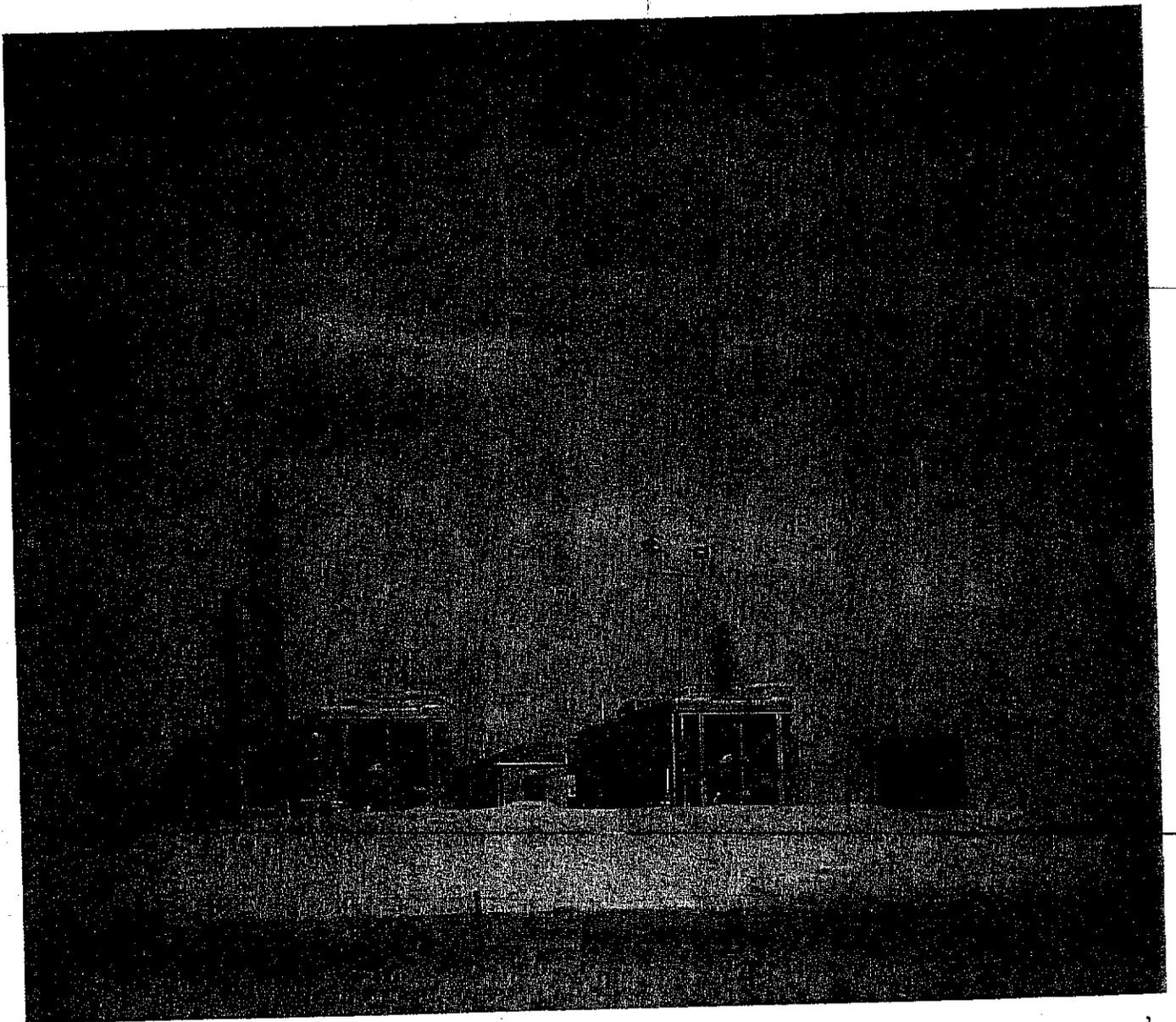
Moreover, coal-bed-methane-development-in-the-West-is the cornerstone of President Bush's proposed domestic energy plan, which claims the area has enough natural gas to supply the energy needs of the United States for seven years. "The region is enormously rich in minerals," Ray Thomasson, a Colorado-based energy consultant, told a recent Denver gathering of energy experts and industry officials. "We just have to find out where the sweet spots are."



A harsh beauty and a vital life force suffuse Wyoming's Powder River basin. Here, stunted cottonwood trees line the banks of one of four tributaries.

ATHER WORKED FOR, AND THAT MY SON IS WORKING FOR IS BEING WIPED OUT."





“IMAGINE IF YOU LIVED ACROSS THE STREET FROM A POWER PLANT. THAT’S WHAT IT’S LIKE FOR PEOPLE THAT LIVE NEAR A COAL-BED METHANE FIELD.” SOME RANCHERS LIKEN THE SOUND TO THAT OF 747S TAKING OFF — CONSTANTLY.

come from,” Nancy chimes in. “There isn’t anybody in local government that is going to fight this. And neither am I. We just need some tougher regulations.”

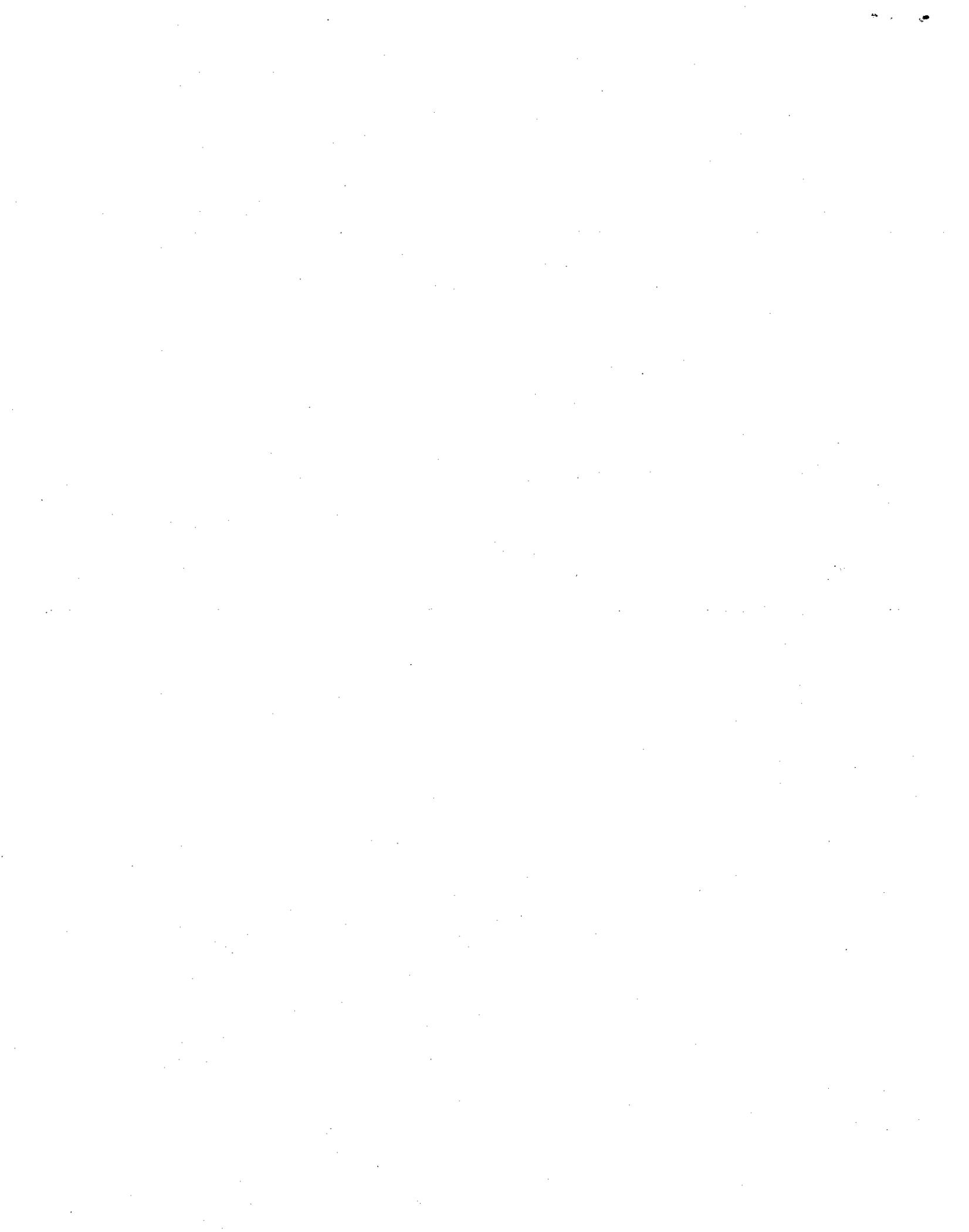
The ranchers’ biggest concern is the depletion of their underground aquifers. In Colorado, where coal-bed methane development has taken off in a number of areas, drillers are required by state law to clean the discharged methane water of all pollutants and “reinject” it into the ground. Not so in Wyoming. Drillers say that requirement would make their operations less cost-effective. Many ranchers, joining forces with the formidable Powder River Basin Resource Council, have also been petitioning state and federal lawmakers for a mandatory Surface Owner Agreement—which would allow landowners to have a say about where pipelines and roads are built. (The government broke its promise

that powerlines would be buried and kept to minimum.) Above all, what pains the ranching community is the lack of adequate bonding—money the energy companies pay to cover land damages and reclamation. Just look around, Nancy says, at all the abandoned wells from previous booms. Undoubtedly, history will repeat itself, she asserts, if energy companies aren’t required to pony up much more than the paltry \$25,000 bond they pay for unlimited wellheads on Wyoming’s federal lands (it’s \$75,000 for state and private lands).

Given this history, I’m surprised to hear the Sorensons say they are not against coal-bed methane development in principle (and that goes for Ed Swartz and the other Powder River basin ranchers I spoke with).

“No,” Robert answers resolutely. “We just want to see it done right.”

The nonstop whirring produced by coal-bed methane compressors (above) is so deafening that one harried resident was driven to shoot at a compressor with his rifle. He was arrested for reckless endangerment.



Well wishes



ROBERT HENDRICKS/Star-Tribune

Roland and Beverly Landry have lived without running water for over a year at their home on the Powder River in northeast Wyoming. The Landrys store water in one-gallon milk jugs for their cooking, bathing and cleaning needs.

Couple to get new water well

with a little company that has a drilling rig of his own. The company that offered the concrete was the same," Landry said. "I didn't want to have to take charity from somebody who wasn't involved." But those are her Secret Santas all the same.

Don't let the history behind this new well diminish the genuine kindness of the people donating their time, labor and equipment needed to give the Landrys running water again. For all the disagreement over the Landry's water well, there is

When the Powder River Basin Resource Council found the e-mail in files at the State Engineers Office, it was widely circulated among ranchers in the area.

Geology aside

In the end, the geological debate was left unsettled in

WELL: Companies don't want to be identified

Continued from A1

moving down the Powder River valley when the Landry's artesian well stopped flowing. To produce methane from coal, water is pumped from the coal aquifer. Residential water wells — artesian or otherwise — that are tapped into a coal seam are affected when gas wells "de-water" the coals nearby.

When this happens, the coalbed methane producer responsible will replace the well, usually by drilling a well deeper than the coal.

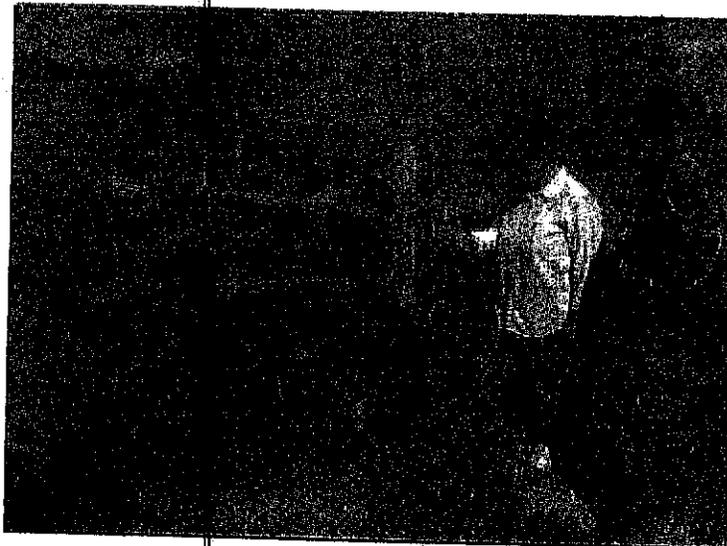
But with the Landry's well, the evidence wasn't clear enough for the State Engineers Office to determine exactly why the well stopped flowing. Marathon Oil performed a test on the well and determined it wasn't responsible, noting that the nearest coalbed methane gas well at the time was almost five miles away.

"The possibility of any sort of reduction of pressure caused by coalbed methane activity affecting that well under the geological circumstances at play here is nil," Goolsby said.

There are others who disagree, including Beverly and Rolan Landry. The couple maintains that it was not a coincidence that their artesian well stopped flowing just as coalbed methane wells were beginning to be punched in the valley. Beverly Landry said their well had flowed steadily for 30 years. The flow didn't slowly dwindle to nothing. It stopped abruptly one day.

Their artesian well is tapped into a sand aquifer above the coal, according to reports. However, coal aquifers do communicate with overlying and underlying aquifers in some areas.

And the Landrys are not the first to lose an artesian water well. About a dozen artesian wells have stopped flowing within the coalbed methane development area, according to the Powder River Basin Resource Council. In fact, one reason the Landry well became such a high-profile case is because a Wyoming Oil and Gas Conservation Commission inspector said in an in-house



ROBERT HENDRICKS/Star-Tribune

The Landrys artesian well on their ranch flowed for 34 years before one day in September 2002 when the well ran dry.

the eyes of the State Engineers Office.

And it's just as well, Goolsby said, because the geological debate is only secondary.

Public perception rules instead.

"I believe we've gotten some bum raps out there," Goolsby said. "I think it would be better for any company or any individual to just remain nameless for their own good."

Jill Morrison of the Powder River Basin Resource Council said she disagrees with the notion that the coalbed methane industry is getting an undeserved rap on the head over the Landry well case.

"I think it probably is public perception that they are responsible," Morrison said. "It is common knowledge throughout the basin that when you start dewatering and depressurizing the coals, artesian wells stop flowing," she said. "People are losing artesian wells all over the place."

"The public perception of industry would be much better if the industry would own up to their responsibilities and treat people right and do the right thing," Morrison said.

Drilled tidings

This did start out as a Christmas story, right? Well, it is a Christmas story. A true Christmas story.

According to the Wyoming Oil and Gas Conservation

total agreement that the couple should not have to live without running water.

"I don't know how we could ever repay all of that kindness," said Beverly Landry.

The cost of the new well is expected to be \$30,000 or more.

Likwartz said that when he heard about the Landry's situation, he began an effort to get coalbed methane companies to pool together enough money for a new well.

Sen. John Schiffer, R-Kaycee, got involved and an account was set up at a bank in Buffalo. Schiffer pitched in the first \$500. Early this month, the account was up to \$12,000, Likwartz said. The donations came from four operators. Several more companies have agreed to donate time, labor and equipment to the effort.

"I just wish it hadn't taken this long," Likwartz said.

Likwartz said none of the companies want to be identified.

"You're not going to get any of these people to talk," Likwartz said.

Beverly Landry said she didn't know about plans to drill a new water well.

"We'll be satisfied with whatever we get," Landry said.

She said she believes it ought to be the coalbed methane production companies that pay for the well rather than relying on smaller