



MONTANA STATE SENATE

EXHIBIT NO. 5
DATE 2/11/2005
BILL NO. SB 336

+++++ WITNESS STATEMENT +++++

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REPRESENTING self & Northern Plains

APPEARING ON WHICH PROPOSAL ? SB 336

DO YOU: SUPPORT X OPPOSE AMEND

COMMENTS:
see statements attached

PLEASE LEAVE PREPARED STATEMENT WITH
COMMITTEE SECRETARY

SB 336

SENATE NATURAL RESOURCES

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Good afternoon. My name is Deborah Hanson. My husband, Terry and I reside in Miles City where we have been in small business for over 30 years. I am here to testify on behalf of myself and as a member of Northern Plains. We are proud to have been members of Northern Plains since 1973—a grassroots organization of Montana citizens dedicated to protecting our water quality, family farms and ranches and our unique quality of life.

I strongly urge you to support Senate Bill 336, the Coal Bed Methane Reclamation Act. Our Montana Constitution requires all lands disturbed for natural resource development to be reclaimed. The 2005 Legislature can ensure that the Coal Bed Methane industry will comply by improving the reclamation bonds, oversight and enforcement.

Coal Bed Methane is happening and will be a major economic force in Eastern Montana and benefiting the entire state through taxes. Therefore, it is imperative we share in the responsibility of doing it right. A conservative estimate by the BLM is 18,300 wells. Let me reiterate what that might mean: 9,000 miles of new roads, 28,000 miles of new power lines and pipeline corridors; 4,000 wastewater impoundments; 70,000 acres of disturbed land and up to 4.7 million acres of impacted wildlife habitat.

I was shocked to learn that a company can post a blanket bond of \$50,000 for all private and state methane wells in Montana. That is \$50,000 for ALL private and state wells! Recently, a jury in Wyoming awarded a couple over \$800,000 to cover the reclamation costs of only 12 methane wells.

As a citizen, it is obvious to me that \$50,000 is woefully inadequate. Montanans have been caught holding the bag too many times for inadequate bonding and reclamation planning—one bankrupt Coal Bed Methane Company could cost us millions once again. As a taxpayer, I expect better fiscal responsibility from our State. We should learn from our past mistakes. And let's not forget our past successes—reclamation at our coal mines came about because we insisted on adequate bonding and reclamation plans.

In Miles City and Custer County we will see very little actual Coal Bed Methane development. However, we are downriver from the development and will be hard hit if the water quality of the Tongue River is degraded. Our irrigators stand to lose their livelihood. Valley residents who water their lawns and gardens will be greatly affected. We understand that water is our lifeblood.

Already, the sodium levels are over limit at Miles City. This does not bode well when we are facing another year of drought and increased coal bed methane drilling.

Let's learn from our past and pass this Coal Bed Methane Reclamation Act. Let's Do It Right!

Respectfully submitted,

Deborah Hanson

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