

Mr. Chairman and members of the Water Policy Interim Committee. Thank you for this opportunity to speak. My name is Beth Kaeding and I live in Bozeman. I am the Chair of Northern Plains Resource Council, a grassroots organization that focuses on land stewardship, the protection of Montana's water, and the preservation of family farms and ranches and rural economies. I am here today on behalf of our members.

Since coal bed methane development began in Montana in 1999, Northern Plains Resource Council has fought to ensure that this extractive industry "do it right." Too often in Montana's past, development and extraction of our state's resources have been done with little regard to the land and Montana's other natural resources and its people. We are particularly concerned that coal bed methane development be done in a manner that protects Montana's water resources (both surface and groundwater) and Montana's senior water rights holders.

Northern Plains and its members care passionately about how this development proceeds because of the industry's potential to ruin Montana's waters (surface and groundwater) and its lands and our livelihoods.

Groundwater depletion that is the result of methane development will affect hundreds of wells and natural springs in the region and the senior water rights holders to these water sources. These wells and springs are important sources of domestic and stock water for ranchers and other residents of this area. Groundwater depletion will also affect river flows by depleting groundwater discharge and natural recharge of the rivers. The 2002 environmental impact statement (EIS) concerning coal bed methane development clearly stated that "full aquifer recovery [would] not happen within the lifetimes of any of the state's residents" (page 4-37).

Dr. Thomas Myers recently published the first scientific, peer-reviewed study in the *Journal of Hydrology* about the impacts of methane development on aquifers, wells, springs, and surface waters in the Powder River Basin. Using data collected by the Montana Bureau of Mines and Geology, Dr. Myers developed a numerical groundwater flow model that simulated aquifer drawdown during coal bed methane well development. Myers confirmed that aquifer drawdown could exceed 290 feet in the middle of the methane fields with nearly 20-foot drawdowns extending 46 miles from the methane fields.

Dr. Myers' simulation indicates that groundwater depletion will affect river flows in the region by depleting groundwater discharge and natural recharge of the rivers. The drawdown will also affect hundreds of wells and natural springs, important sources of domestic and stock water for residents of this area. After methane development ceases, recovery of the aquifers will take up to 50 years, and as long as 200 years for full recovery. Dr. Myers' simulation also demonstrated the value of reinjecting as much of the produced water as possible back into the groundwater system. Our members' fears for their water rights are, thus, based on sound science and not speculation.

We believe that the devastating effects that coal bed methane development will have on groundwater aquifers does not have to happen if the methane industry will simply leave the water in the ground or re-inject it. We also believe that this is not too much to ask based on the minimal cost involved. Figures provided to the Environmental Protection Agency by the coal bed methane industry indicate that at \$5.00 a thousand cubic feet of gas, the companies enjoy a return of 233% on their investment. ReInjection of the millions and millions of gallons of Montana's ground water reduces that profit to 223%.

We also believe that there is a disconnect between how two state agencies, the Board of Oil and Gas Conservation and the Department of Natural Resources and Conservation, are charged with and deal with Montana's groundwater. For more than 140 years, senior water rights holders have been treated with respect and the phrase, "first in time, first in right" has prevailed and worked. In his December 2008 decision, Judge Thomas Honzel, in part, stated: "Section 85-2-510 MCA provides that in a controlled ground water area, water which is produced entirely as a result of oil and/or gas withdrawals is 'under the prior jurisdiction of the board of oil and gas conservation.' **Prior jurisdiction does not mean exclusive jurisdiction.**" We believe that guidelines for returning Montana's precious ground water to the ground **MUST** be developed. This is the public trust responsibility of the state through its DNRC. It will require leadership and a commitment to equal protection for Montana's water resources while its energy resources are developed.

Coal bed methane development can be done right in Montana. Senior water rights holders, irrigation interests, and terrestrial and aquatic ecosystems can be protected—and we can still have energy development—but only if the coal bed methane companies decide to DO IT RIGHT.

Beth Kaeding
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