



Alabama Coalbed Methane Monthly

August 1997

Federal judges tell EPA they must consider LEAF petition on fracing

The 11th Circuit Court of Appeals in Atlanta has told the EPA it was wrong to deny a petition from the Legal Environmental Assistance Foundation (LEAF) regarding the Underground Injection Control (UIC) program in Alabama. The Tallahassee, Florida based group had asked the EPA to revoke Alabama's UIC program on the basis that coalbed methane wells are not required to obtain a class II injection permit prior to hydraulic fracturing of the coal seam(s).

The EPA, after consultation with the State Oil & Gas Board and the Alabama Department of Environmental Management,

denied the request based on their opinion that the primary purpose of a coalbed methane well is not to inject fluids. LEAF appealed that decision to federal court.

The judges say that the EPA interpretation is inconsistent with the language of the Safe Drinking Water Act (SDWA). They granted the petition for review and remanded the LEAF request back to EPA for further proceedings.

This places Alabama's UIC Program, administered by ADEM and OGB, back on the block. In addition, the EPA regulations on UIC might also be in jeopardy.

The EPA has 45 days to ask the

(LEAF Continued on page 2)

Who is running for what..when?

The political season is upon Alabama. Perhaps a little earlier than usual. The average citizen might not really notice it because most of the behind the scenes activity is focused on raising money, and lots of it.

Since June 2, potential candidates in the 1998 elections have been flooding the mail with requests for campaign contributions. A 1995 change in the state ethics law prohibits fundraising except for one year from the primary elections. This has compressed the time frame for such activity and resulted in a money gathering frenzy.

Most believe that Governor James will run for another term. No other major Republican candidates have announced intentions to challenge him. Lt. Governor Don Siegelman is running for another term, at least for right now. He may be waiting to see for sure if James will run. In the meantime, a retired banker has announced he will seek the Democratic nomination for Governor.

No doubt, all of these decisions could be influenced by outcome of the Special Session(s) called this fall by the Governor. One candidate's political disaster is

Governor calls session for August 18th on budgets

After talking about it for months, Governor James has finally issued a proclamation calling lawmakers back to Montgomery to re-pass budgets. The Governor vetoed the two state budgets in May following the end of the Regular Session. He said they contained too much pork, or special money placed in the budget for individual lawmakers to spend in their districts.

In the meantime, however, revenue to the state has not met expectations and the amount of money available to spend in the

(SESSION Continued on page 2)

Inside This Issue

Stormwater Hearing

Events & Meetings

Coalbed Methane Stats At A Glance

(LEAF Continued from page 1)

court for a rehearing, otherwise the LEAF request will have to be considered again. There has been no decision made by EPA on what they will do.

The implications for this action go far beyond coalbed methane wells in Alabama. The conventional oil and gas industry should also be concerned about the potential adverse effects on their operations.

In Alabama, coalbed methane rules have strict requirements for the protection of groundwater. These rules include notification of hydraulic fracturing activity. In 1990 a task force was established to examine possible affects of fracing on nearby water supply. The study concluded that there

Stormwater issue draws comments

The Stormwater Management Authority in Jefferson County heard from lots of folks that did not want another bureaucracy and another tax. At a public hearing in Birmingham on August 14th, a majority of those talking were opposed to the current plan for regulating stormwater.

An industry group, which includes the CMAA, has been trying to work with the Authority to make sure existing NPDES permit holders are not double regulated. The staff of the Authority has not been willing to live up to their previous commitment not to impose additional storm water requirements on NPDES permit holders. Some predict the

(SESSION Continued from page 1)

budgets, which begins October 1, is less than approved by lawmakers in May.

Lawmakers are also being told that the revenue problem is affecting the current state budget. There are conflicting reports that there will be money shortages before the current fiscal year ends.

Add to all of this the continued push by the Governor to cut funding to higher education and you have the recipe for a wild session. The Governor has also included a few small bond issues in his call for the session. One of them is to complete work on a badly needed prison.

Governor James is hinting at calling several more Special Sessions this fall. They would address his desire to pass a voter ID law, a highway bond issue, and a state parks bond issue among

Alabama coalbed stats at a glance

Production:

April 97 Total: 9.24 BCF
 2,747 Wells Producing Gas
 Daily Production
 Average Well: 112.2 MCF
 All Wells: 308 MMCF
 Cumulative Coalbed
 Production: 768 BCF

Water Quality:

Average Monthly mg/l Chlorides
 Black Warrior River:*

Mar 97 14
 Apr 97 17
 May 97 15
 June 97 12
 July 97 12

*EPA limit is 230 mg/l chlorides.

Events & Meetings

August 18

Special Session
 Alabama Legislature

August 19

Alabama Environmental
 Management Commission
 1:30 p.m. / Hearing Room
 Montgomery, AL

August 20

Eastern Gulf Region
 Petroleum Technology
 Transfer Council
 Jackson, MS
 Info: (601) 969-7101

August 20 & 22

State Oil & Gas Board
 10:00 a.m. / Tuscaloosa

September 3-5

Alabama Water Resources
 Conference
 State Park Gulf Shores

September 16

Membership Meeting
 Noon / Cypress Inn
 Tuscaloosa, AL

September 16

CMAA Board Meeting
 Cypress Inn
 Tuscaloosa, AL

If you know of an event of interest to the coalbed methane industry, please send us the information. We will be happy to include it in this events list.

FAX: (205) 985-0042

EMAIL: dlatem@concentric.net