



# Alabama Coalbed Methane Monthly

September 1997

## EPA appeals federal court ruling on hydraulic fracturing

The U. S. Environmental Protection Agency wants a three judge panel at the 11th Circuit in Atlanta to rehear the LEAF lawsuit challenging Alabama's authority to administer the Underground Injection Program (UIC). The issue of hydraulic fracturing raised by the LEAF case has drawn widespread interest and concern of the nation's oil and gas industry as well as other professional associations of state regulators.

State Oil & Gas Board Supervisor, Dr. Don Oltz and members of his staff recently met with high ranking EPA officials about the 11th Circuit decision. The Alabama OGB is taking the

position that hydraulic fracturing of coalbed methane wells, and any other well permitted by them, is regulated in the current rules and regulations.

It is not known when, or if, the court will grant the request for a new hearing. If the request is granted, there may be several national, regional and state groups that will want to intervene or file briefs in the case.

If the 11th Circuit does not grant a new hearing the EPA is expected to consider taking the matter to the U.S. Supreme Court.

If you need copies of any of the briefs, please contact the CMAA office in Birmingham.

## October Membership Meeting to feature natural wonders

All you outdoor enthusiasts and many of us indoor types will not want to miss the great program for the October 7th Membership Meeting of the CMAA. Pat Byington and Danielle Dunbar of the Alabama Environmental Council will be with us to give you a great tour of Alabama's Natural Wonders.

The Natural Wonders Campaign promotes Alabama's most scenically and ecologically significant areas, educates Alabamians about the environment and builds community support for natural heritage. The year old project has gained the support of the Alabama Bureau of Tourism and Travel and Legacy to name but a few.

Please make your plans to be with us for lunch on October 7th. Reservation forms have been mailed for this meeting. This is a re-scheduled meeting from the September 16th meeting which was canceled.

If you made reservations for the September 16th meeting, please call the CMAA office at (205) 733-8087 to confirm your reservation. Please get your reservations in as soon as possible so that we can make plans for

## Special session budgets are passed — OGB/GSA cut again!

The money crunch has taken its toll again on the Oil & Gas Board and the Geological Survey of Alabama. Despite a continuing need communicated by OGB Supervisor Dr. Oltz, lawmakers choose to take away the gain made in the budget passed in May.

In the budget passed a few days ago, the OGB/GSA is cut more than \$300,000 from what was appropriated to them in the

budget vetoed by Governor James. There was considerable pressure to fund prisons, Medicaid and pork projects.

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### Inside This Issue

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## Sage Lyons resigns as Finance Director

One of the most powerful appointed positions in state government is changing hands again as State Finance Director Sage Lyons announces his resignation. Mr. Lyons also served the James Administration as Revenue Commissioner. He came into that job at a time when the oil and gas industry was in a serious disagreement with the DOR over regulations to administer oil and gas severance taxes.

The new Finance Director is actually a previous Finance Director. Assistant State School Superintendent Jimmy Baker, who ran Governor's James 1994

## Storm water subject

The Alabama Legislature has weighed into the Jefferson County storm water issue again. In the most recently completed Special Session, lawmakers passed a resolution calling on the participants in the storm water management authority to stick to the original intent of the 1995 Act that authorized the public corporation.

Act 97-931 expresses the intent that the legislature does not want an overly expensive plan that imposes dual regulation on persons or companies already required to comply with storm water laws under a permit issued by ADEM. Phase II storm water regulations, which cover all other areas of the state, are expected to

*(SESSION Continued from page 1)*

This inadequate funding for the OGB comes despite the fact that the oil and gas industry pays a specific tax (production tax Title 9 of the Alabama Code) to pay for their operations. So far this year the industry has paid more than \$16.4 million to the state. This is in addition to the more than \$46 million paid by the oil and gas industry under the Title 40 privilege tax.

The budget approved in the Special Session gives the Oil and Gas Board barely \$2 million. The rest of the tax paid by industry for OGB operations is being spent in other areas not related to oil and gas.

Several legislators tried very hard to keep adequate funding for the OGB/GSA, however, they could not prevent the cuts imposed by the Conference Committee.

## Alabama coalbed stats at a glance

### Production:

May 97 Total: 9.56 BCF  
 2,759 Wells Producing Gas  
 Daily Production  
 Average Well: 111.7 MCF  
 All Wells: 308 MMCF  
 Cumulative Coalbed  
 Production: 777 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

### October 1 & 3

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

### October 7

Membership Meeting  
 Noon / Cypress Inn  
 Tuscaloosa, AL

### October 7

CMAA Board Meeting  
 Cypress Inn  
 Tuscaloosa, AL

### October 15 - 17

Mid-Continent Oil & Gas  
 Association / Annual Meeting  
 New Orleans, LA  
 Info: (601) 948-8903

### October 28

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

### November 5 & 6

No. American Coalbed Methane  
 Forum / Fall '97 Session  
 Info: Ihor Havryluk  
 (412) 343-3285

### November 19 & 20

Gas Daily's Annual Natural Gas  
 Transport Seminar  
 Houston, TX  
 Info: (713) 460-9200

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