

## **Column of Nov. 21, 2013. Editor's Headline: "Don't Give DKRW More Time"**

"Out of Compliance," reported the *Casper Star-Tribune* on March 21, 2013, regarding DKRW, the proposed coal-to-liquids conversion plant near Medicine Bow. Its management had withdrawn the corporation's socio-economic impact analysis and construction schedule, submitted just a few weeks earlier. Under Wyoming law, both documents are required. The newspaper reported that the company would have a chance to correct the matter.

That chance came at the October 1, 2013, Industrial Siting Council (ISC) hearing. Yet on that day, company management merely proposed that ISC put everything on hold for 30 months. Agency response suggests, its decision on whether to accept the DKRW Amendment will come at the agency's December meeting in Saratoga.

The ISC must judge permits for construction and operation under applicable local, state, and federal laws. Inasmuch as its own rules require permit compliance, many hearing attendees urged the agency to reject the proposed amendment. Failure to do so would set an unwise precedent.

Although DKRW's Executive Chairman Dr. Robert Kelly gave a smooth presentation and provided slick, colorful handouts, he put forth little of substance. Not a word on how or when its Chinese contractor will be evaluated, much less when construction will begin. On questions of "Emergency Services," "Housing," and "Communications," the handouts were contradictory and devoid of specifics. Originally, the company had shrugged off these exigencies as responsibilities of adjacent communities.

In audience comments, again and again attendees worried about the project's water quality and/or adequacy. The water of the allocated Mesaverde Group is briny. Is that water safe for dust abatement across grazing lands? The projected 500 gal/min usage means half a million gallons each day for production, not counting huge water needs for mining and housing. Vast amounts of wastewater will require disposal. In China, several coal-to-liquid conversion plants have faltered on water issues.

Jason Lillegraven, geologist and UW Professor Emeritus, argued that the testing for water was very brief. He said he doesn't understand how the state engineer could have been as confident as he was in evaluating water adequacy. Dr. Lillegraven continues to maintain that, of the four wells that were drilled, only one (MBFP #21-1) was drilled deeply enough to reach the Mesaverde Group. The only other well that was drilled deeply did not reach Mesaverde at all but tapped the Lewis Aquifer, which the company lacks permission to use.

Dr. Lillegraven pointed out that the 2007 well tests involved pumping for only 24 hours, then were extrapolated to 30 years of industrial water consumption. Upon that testimony, ISC member Richard O'Gara asked ISC's Chairman: "Is this correct? One well was drilled, tested for 24 hours, and then extrapolated 30 years into the future?" DKRW's General Counsel Wade Cline, asked to respond, contended, to the contrary, ". . . we had to do 30-day tests of continuous running of those two deep wells. Those 30-day tests were completed in late 2011, I believe. They passed with what we would say flying colors."

In follow-up letter, dated October 24, 2013, and addressed to Mr. O’Gara, Dr. Lillegraven endeavored to set the record straight concerning the disputed wells and the number of testing days. He attached supporting state-certified documents, including copies of all ten discharge-monitoring reports (DMRs) pertaining to the four wells that were drilled. After detailing what did and did not appear on these documents, and explaining that the most important detail on each is “Sample Frequency,” Dr. Lillegraven showed that all ten DMRs specify only one day of discharge per month. The official record thus shows, he wrote, each pumping test “was limited to one day per month.” He pointed out that no comments exist within the DMRs to suggest that the numbers of days of discharge were unknown, and he concluded:

“Therefore, there exists no evidence from the official DMRs, as submitted by the permit-holder’s environmental engineer and compliance officer, that the monthly well-pumping tests had durations greater than one day.”

(“Sample Frequency” contains two values: how many samples were collected, and how many days the outfall discharged—or else, how many days were in the monitoring period if the number of days discharged is unknown.)

Ergo, either Mr. Cline was uninformed—failing to review the DMRs or misreading them—or else the truthfulness of his testimony deserves to be questioned.

Furthermore, the Amendment’s 500 gals/min of anticipated water use does not match the project’s description in ISC permit documents, since the current figure is based upon newly-revised smaller productions. Yet nothing prevents DKRW’s exploitation of the entire 1000 gals/min their current well permits allow. Who knows, it may appropriate the yet larger amounts implied in its website projections.

At the hearing, Dr. David Throgmorton, speaking as citizen, pointed out that the company has given no explanation for its successive failures and its alterations from the originally permitted proposal. He urged the ISC to withdraw its permit rather than allow another 30 months of slack.

“DKRW is not and should not be in the driver’s seat with this proposal,” he said. “The State of Wyoming should be in the driver’s seat. And I genuinely hope that the State will look at the incompetent manner in which this project has been handled so far and say, there will be no 30-month grace period. This project is finished.”

I concur.