



# PIONEER OIL & GAS

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ENVIR. APPEALS BOARD

October 25, 2005

SENT FEDERAL EXPRESS

U.S. Environmental Protection Agency  
Clerk of the Board, Environmental Appeals Board  
Colorado Building  
1341 G Street, N.W., Suite 600  
Washington, D.C. 20005

Re: Appeal of Permit Conditions for Authorization to Discharge Under the National Pollutant Discharge Elimination System (Under Provisions of 40CFR Section 124.19) Permit WY- 0025607.

Attn: Environmental Appeals Board

To Whom It May Concern:

Pioneer Oil and Gas requests that the requirements for specific conductance, total dissolved solids and sulfates be removed from the new permit WY-0025607 (effective November 1, 2005) to make it consistent with permits that have been approved for the property in the past.

The members of the Wind River Indian Reservation use the water discharged from our facility for cattle and other livestock. In support of a previous permit application the Shoshone and Arapahoe Tribes stated, "the produced water discharge provides significant benefits to the area. These benefits include providing moisture to an extremely arid area as well as a source of water supply for not only cattle which occupy the area, but indigenous wildlife including Pronghorn Antelope, local birds and rodents. In addition,

this water discharge has also effectively increased the surface value of this particular area by encouraging leasing and use.”

We currently use every reasonable effort consistent with the economics of the operation to reduce the levels of these substances but we have never met the new requirements for total dissolved solids, and rarely for specific conductance. We have no problem meeting the new chlorides requirement but consistently meeting the sulfates requirement could be a problem.

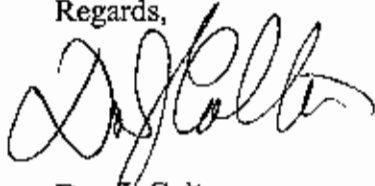
There is no other water source nearby that could be used to mix with the produced water and we know of no other way to meet the new requirement except for drilling a water disposal well. The costs of a water disposal well would be more than the property is worth. This would also prevent ranchers on the Reservation from using the water.

We have not benefited as much from the property from high prices because of the greater than \$20 per barrel deduct for sour crude. At current prices the Reservation should receive more than \$100,000 per year in taxes and royalty from the property. This is substantially more than our current and projected yearly profits for the property. A disposal well, conservatively, would cost more than \$800,000.

This appeal has been filed within the time frame required by the regulations since we received notice on September 30, 2005 of the new requirements.

In summary, we respectfully request that you amend the permit to exclude the specific conductance, total dissolved solids and sulfates requirements.

Regards,

A handwritten signature in black ink, appearing to read "Don V. Colton". The signature is written in a cursive style with a large initial "D" and "C".

Don V. Colton  
President