

THE WALL STREET JOURNAL.

Associated Press
Friday, May 9, 2008

DENVER -- Federal legislation to explore putting groundwater pumped out during oil and gas production to use was signed into law Thursday.

The bill signed by President Bush directs the Interior Department to assess the feasibility of recovering and cleaning up the millions of gallons of water that are reinjected into the ground or disposed of during oil and gas development.

The water's fate has become contentious as natural gas development has increased in the Rockies. Large volumes of water are pumped out during coal-bed methane production. Pumping groundwater relieves the pressure that traps the gas in the coal seams.

"Every day, 2 million gallons of 'produced water' are wasted in this nation, unfit for any use," said Sen. Ken Salazar, D-Denver, one of the bill's sponsors.

New Mexico Sens. Jeff Bingaman, a Democrat, and Pete Domenici, a Republican, and Sen. Mike Enzi, R-Wyo., were the other sponsors.

The House version of the bill was approved last year.

"This bill will change an energy-industry problem into an opportunity, not just for oil and gas producers but for everyone else who would benefit from increased supplies of useable water," said Rep. Mark Udall, D-Eldorado Springs, the bill's House sponsor.

The bill authorizes federal grants for pilot projects to test technology that could make the water usable for irrigation, industry or municipal use. It calls for providing federal funds, which would match up to 50 percent of the total cost, for at least one project each in Colorado, New Mexico, Utah and Wyoming with other projects possible in Arizona, California and Nevada.

A recent report by the Colorado Geological Survey found that coal-bed methane production in the southern part of the state was depleting area water by an estimated 2,500 acre feet a year. That amounted to roughly 815 million gallons of water that aren't returned to streams and rivers in the Raton Basin.

The agency has said the current total is likely quite a bit lower because of wells temporarily shut down in the northern part of the basin.

In Montana, state officials and landowners worry that Wyoming's coal-bed methane development is harming water quality and depleting streams and groundwater. The state of Wyoming and the energy industry are suing to overturn Montana's water-quality standards aimed at preventing pollution from Wyoming's natural gas production