

STATEMENT BY

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I'm Don Spellman, a rancher/farmer and a member of the Powder River Basin Resource Council. I live in the Spotted Horse, Wyoming area in North East Wyoming and am in the heart of the coalbed methane activity. My wife and I have several wells and other coalbed methane activity on our land.

It appears that, according to Jim Kuipers' report, reclamation costs are going to far exceed the bonding that is required for the disturbance for the gas developments.

I do believe that bonding should cover the actual costs of reclamation, otherwise the surface owner will be left to clean it up, as has happened after the oil boom in the 1970's. I believe that as a lessee and a land owner, I have an obligation to look after the land as best as possible.

In the five case studies from Jim Kuipers' report the bonding was \$1,407,800 and the actual costs to reclaim the land will be around \$14,725,968 and that is only 9.6% of the actual cost. This is only to restore the soil and does not include vegetation restoration or anything else.

More personal to me is the TD South West where the bonding is \$52,802 for only two storage ponds. The actual reclamation costs for the complete project, according to Jim Kuipers' report, will be close to \$174,400 leaving a short fall of \$121,550 that someone else may have to pick up the tab for. My fear is that I or the surface owner will be left to clean up the end results.

I try to live by two theories:

1. We don't own the land. We just use it and pass it on to the next generation – your children or mine.
2. We have an obligation to pass it on in as good or better condition than we received it.

Feel free to ask me any questions and I will try to answer them.