

Legal Conflicts Between Development of Coal and Coalbed Methane

Presented by

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Ownership

“A coelo usque ad centrum”

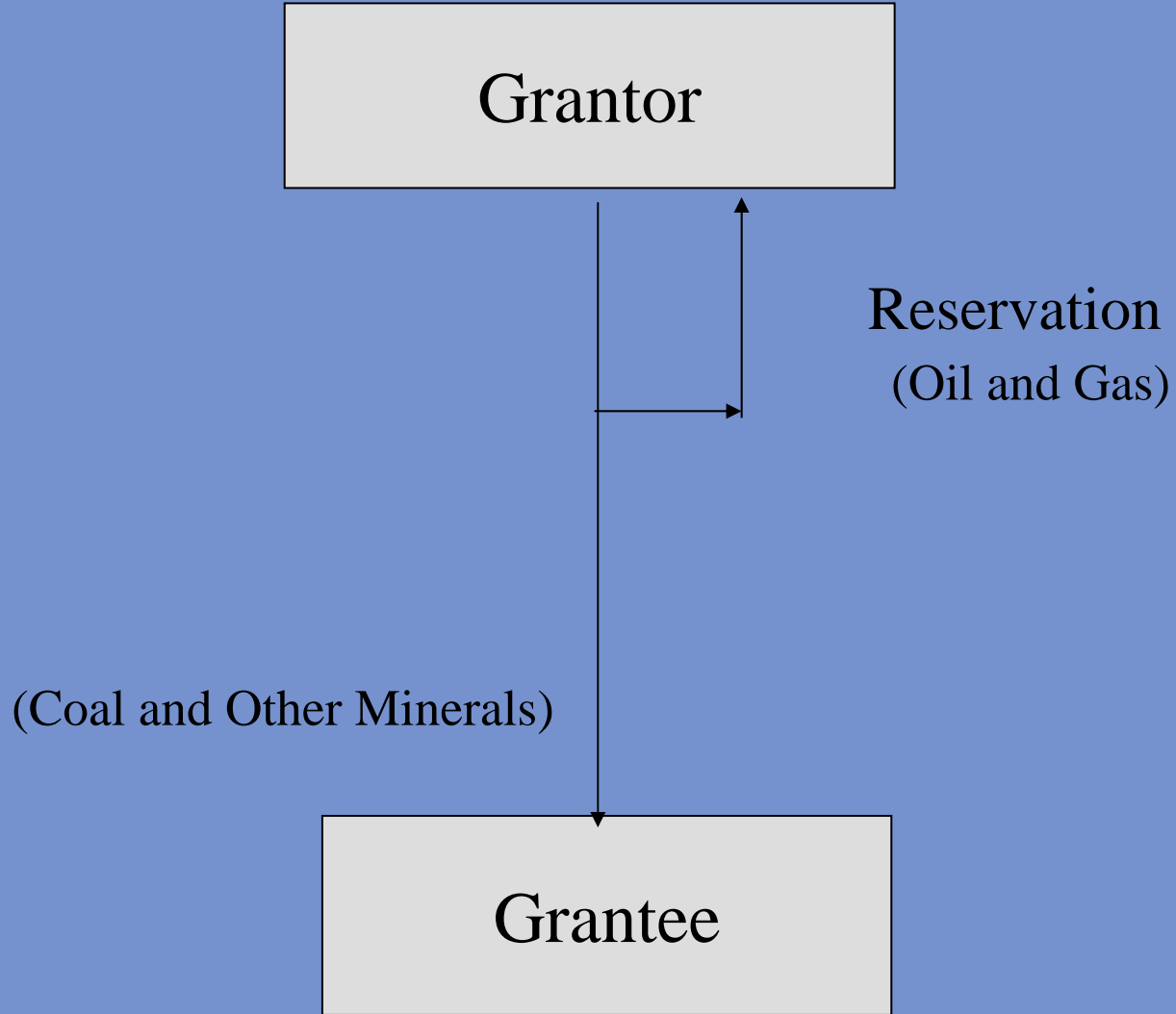
“From the heavens to the center of the earth”

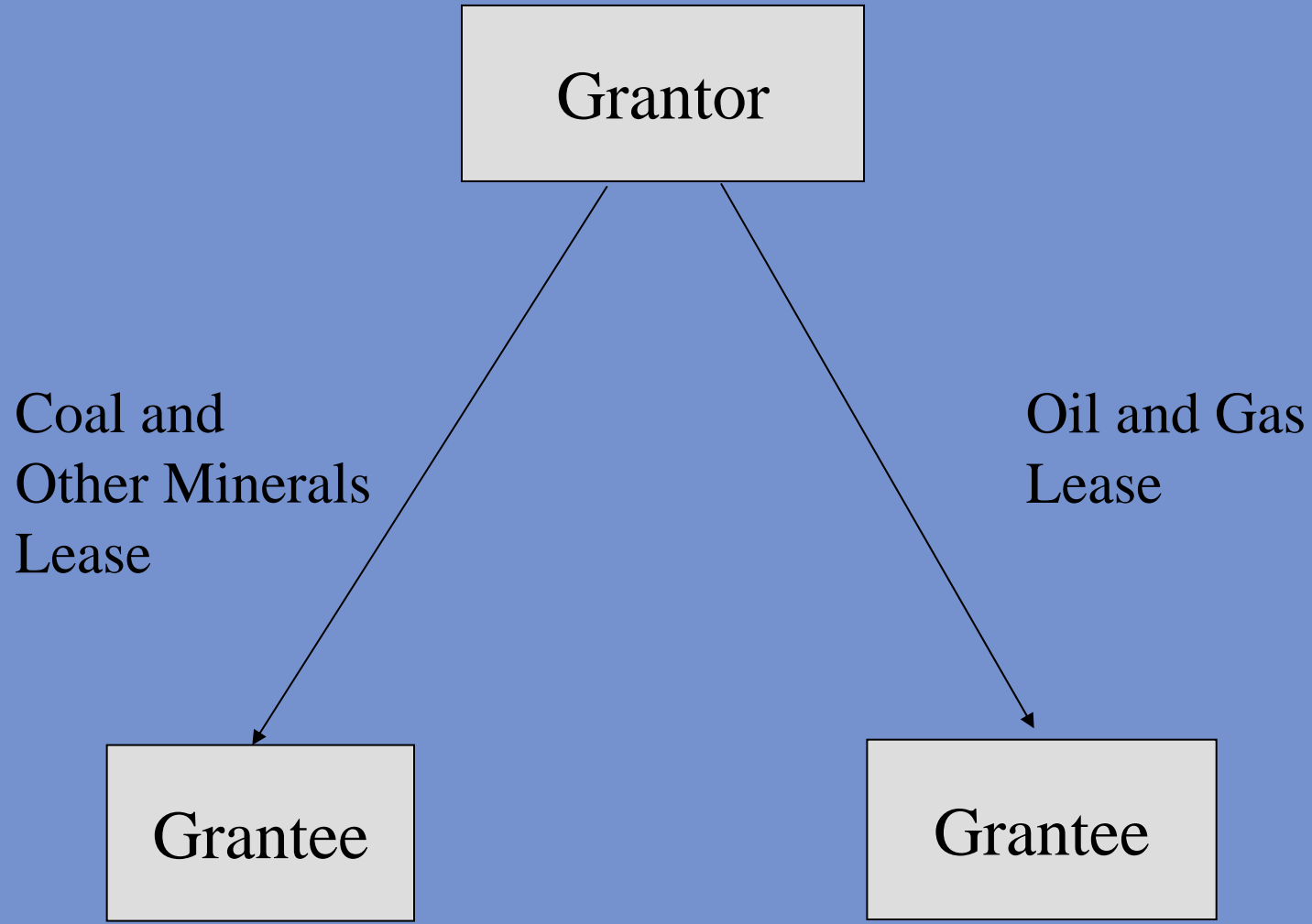
Ownership

- The simple situation: Unified ownership
- Variation: Leasehold

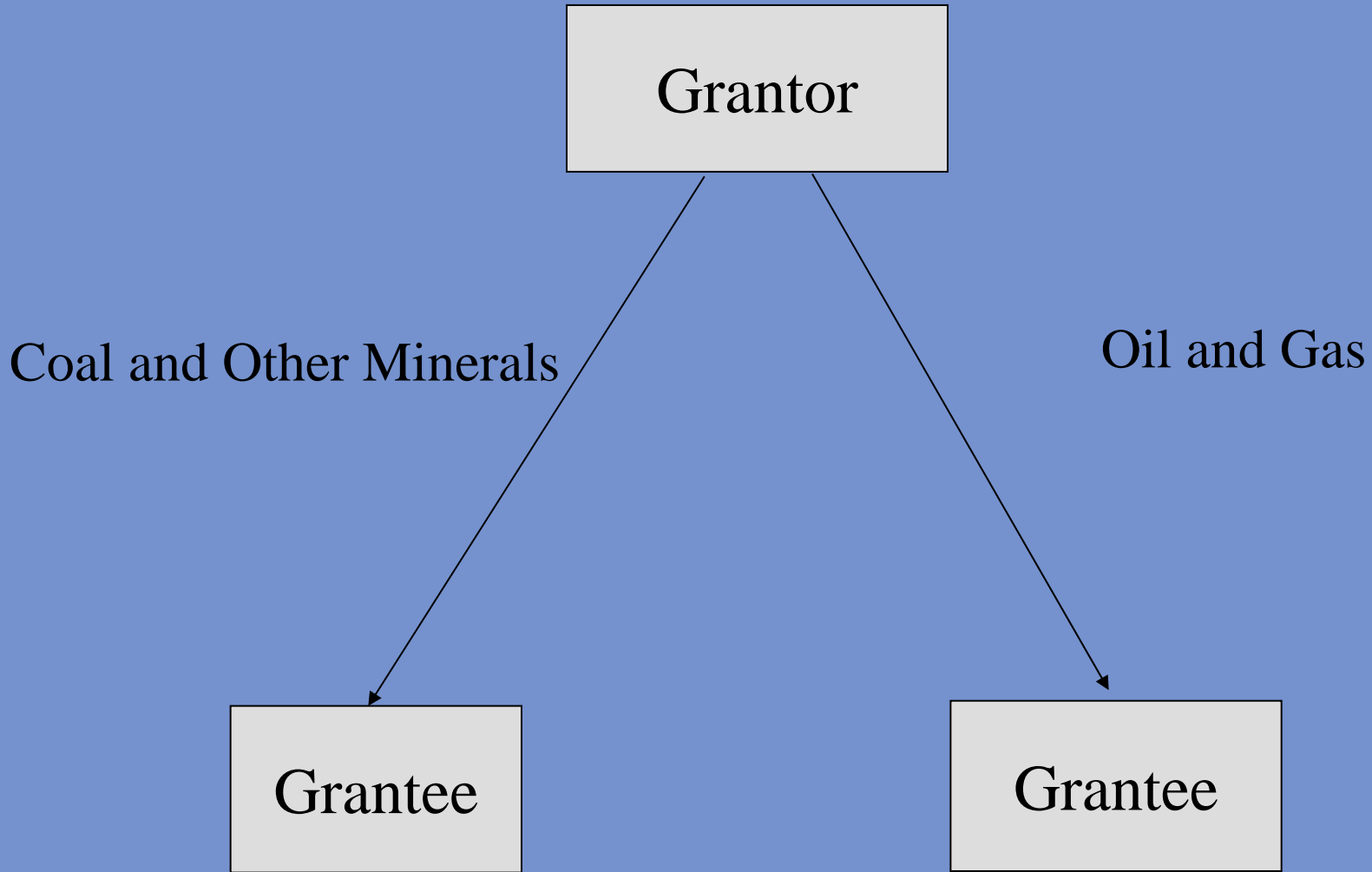
Ownership

- Split Estate: Surface and minerals
- Split Estate: Different minerals
 - Coal
 - Oil and gas
 - Other minerals





WHO OWNS RIGHTS TO THE CBM?



Eastern States: Where coal is king.

- Pennsylvania (1983)
- Alabama (1993)
- West Virginia (2003)
- Illinois (2006)

Western States: Where oil is president.

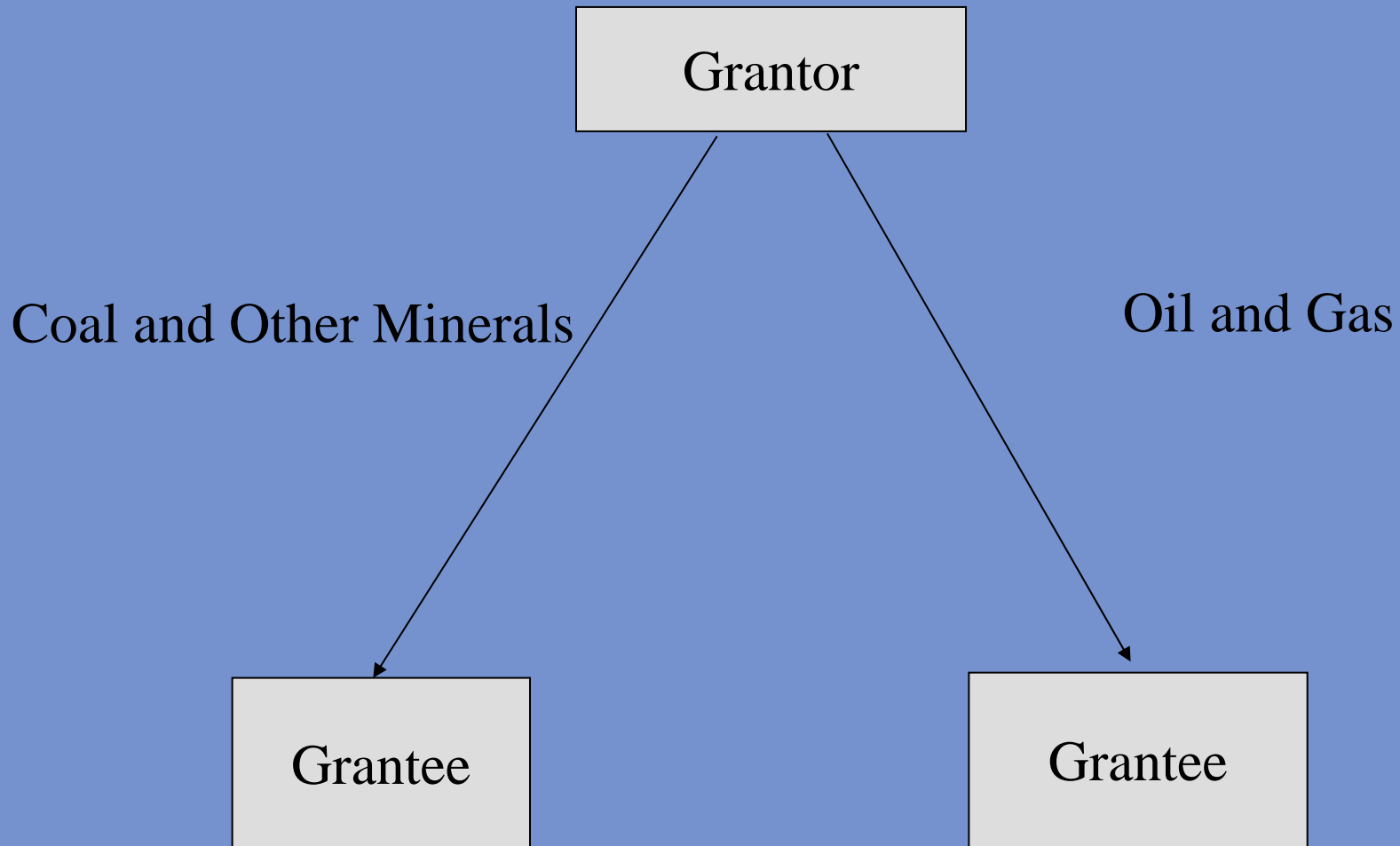
- Montana (1995)
- Wyoming (2002)
- Virginia (2004)

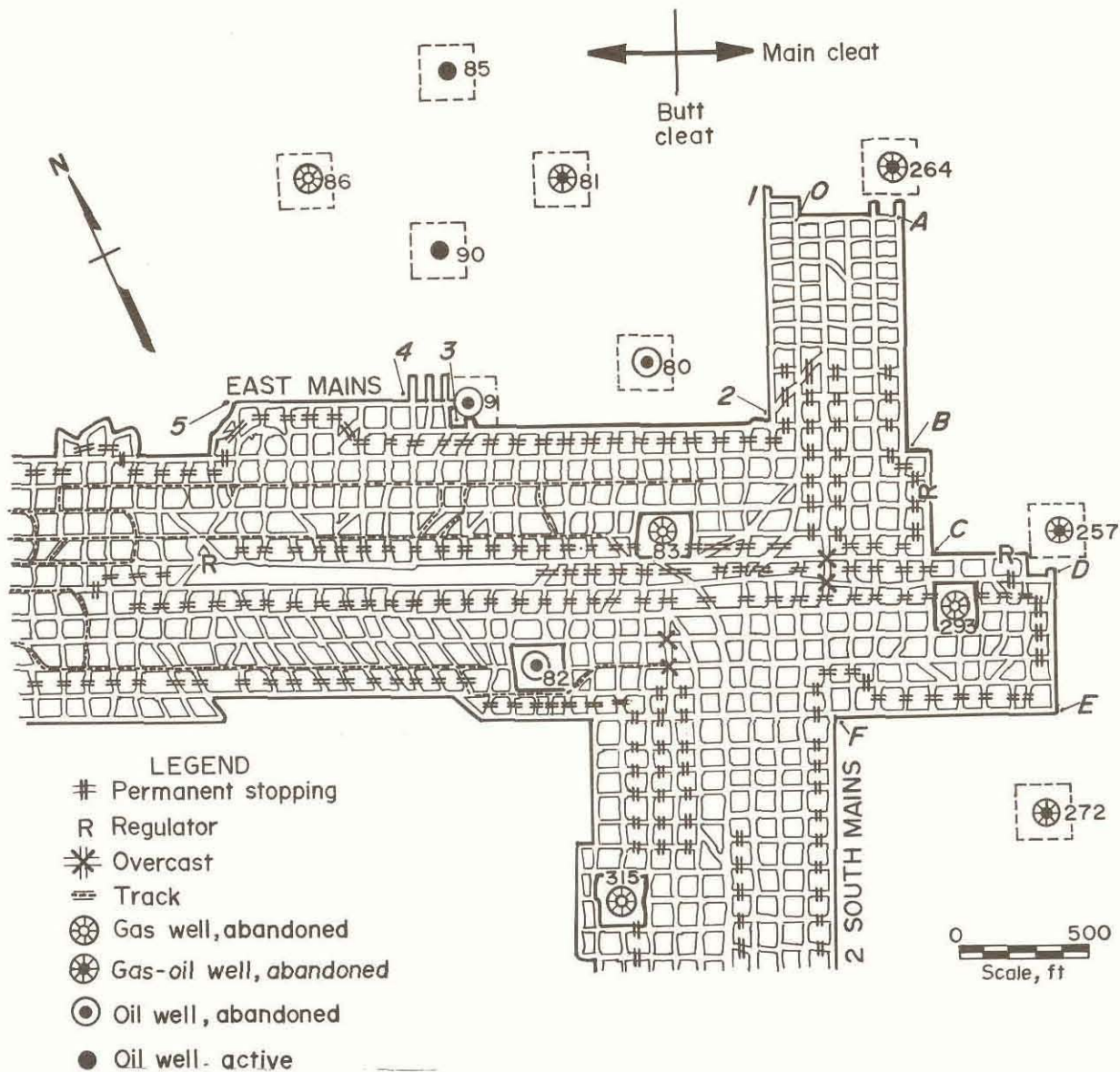
- But: *Amoco v. Southern Ute* (1999)

WHO OWNS RIGHTS TO THE CBM?

1. It depends on the State.
2. It depends on documents.

WHICH OPERATING RIGHT IS DOMINANT?





WHICH OPERATING RIGHT IS DOMINANT?

- Pennsylvania
 - Chartiers Block Coal Co. v. Mellon (1893)
 - “Due Regard”
- Texas
 - Getty Oil Co. v. Jones (1971)

WHICH OPERATING RIGHT IS DOMINANT?

- Private attempts to resolve the question:
 - “Accommodation Doctrine”
 - Non-interference
 - Operating procedures
 - Surface: Access, production facilities
 - Information sharing
 - Reclamation
 - Costs and damages

WHICH OPERATING RIGHT IS DOMINANT?

- Regulatory attempts to resolve the question:
 - Potash
 - Trona
 - CBM (Powder River Basin)



WHICH OPERATING RIGHT IS DOMINANT?

- Regulatory attempts to resolve the question:
 - Potash
 - designated Potash area
 - litigation



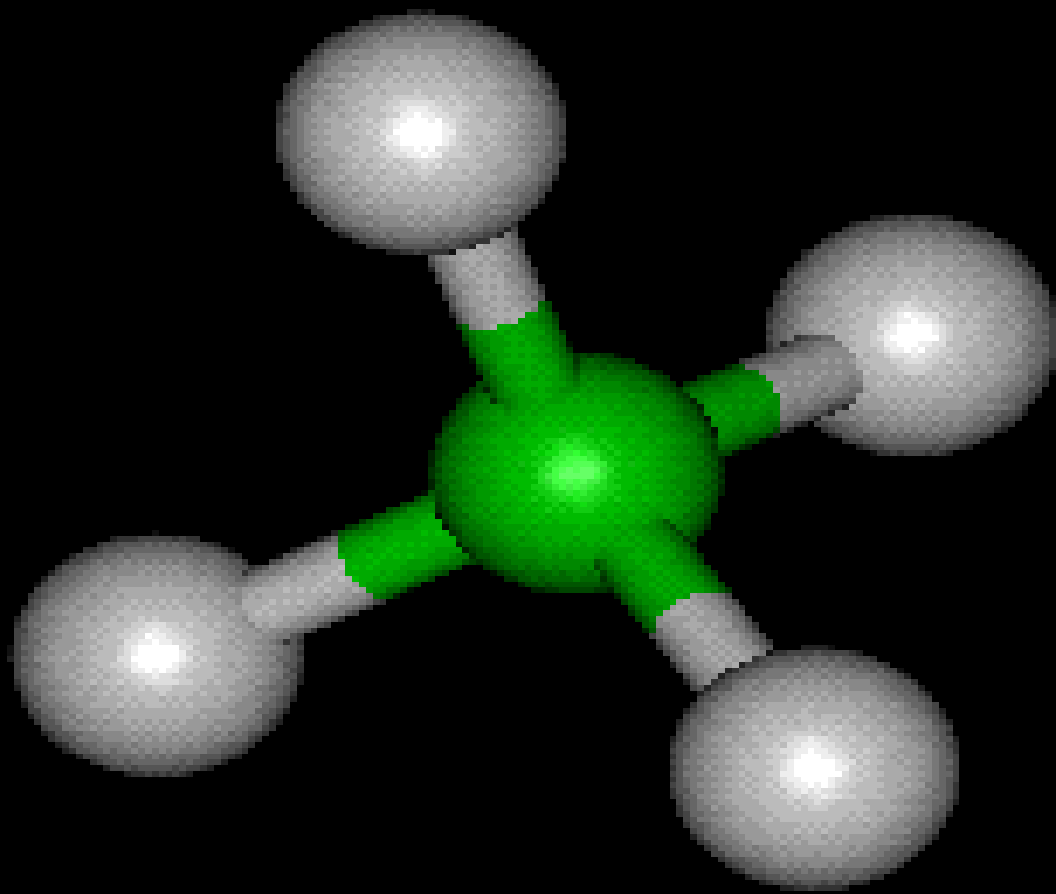
WHICH OPERATING RIGHT IS DOMINANT?

- Regulatory attempts to resolve the question:

Trona

- moratorium

- joint industry study

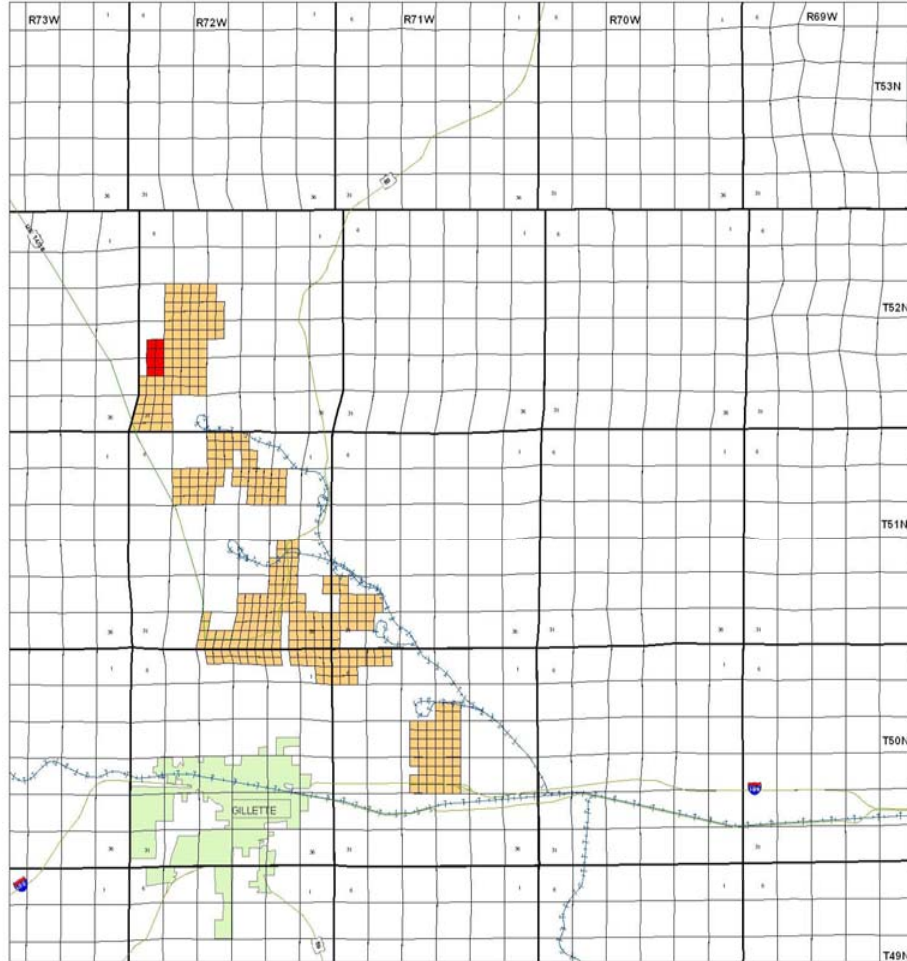


WHICH OPERATING RIGHT IS DOMINANT?

- Regulatory attempts to resolve the question:
 - CBM (Powder River Basin)
 - BLM Memorandum 2000-081
 - BLM Memorandum 2003-253
 - » “Conflict Administration Zone”

Conflict Administration Zone (CAZ) Coal and Coal Bed Natural Gas (CBNG) North Pod

Powder River Basin, Wyoming



0 1 2 3 4 5 6 Miles

Legend

- New CAZ
- Existing CAZ
- Cities/Towns
- Highways
- County Line
- Railroads

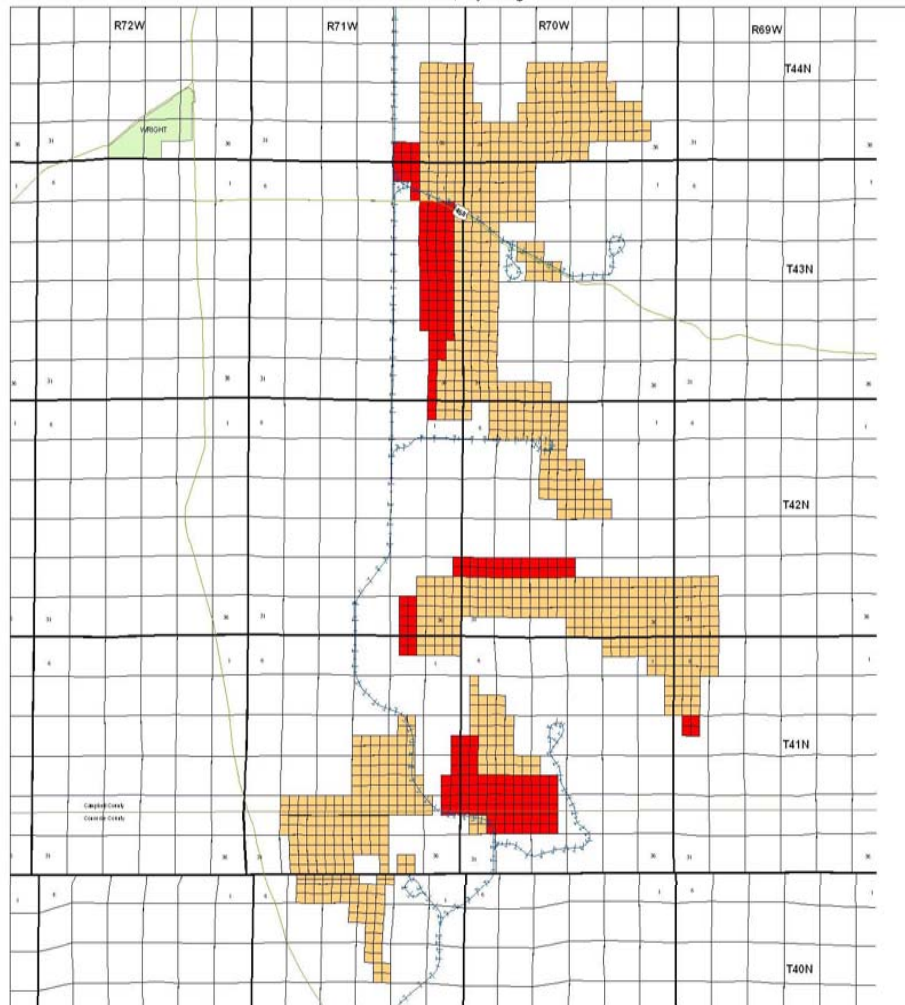
COMMENTS:
This map illustrates areas where BLM has determined potential conflict between CBNG development and coal mining.



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Gold Mineville Office Casper, Wyoming
POWDER RIVER BASIN, WYOMING CAZ MAP
CAZ Areas Determined by:
Casper Field Office and Buffalo Field Office
Date: July 2005

Conflict Administration Zone (CAZ) Coal and Coal Bed Natural Gas (CBNG) South Pod

Powder River Basin, Wyoming



Legend

- New CAZ
- Existing CAZ
- Highways
- County Line
- Cities/Towns
- Railroads

COMMENTS:
This map illustrates areas where BLM has determined potential conflict between CBNG development and coal mining.



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Bald Mtn. Dist. — Casper, Wyoming
POWDER RIVER BASIN, WYOMING CAZ MAP
CAZ Areas Determined by:
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