



SCIENCE
& ENVIRONMENTAL
HEALTH
NETWORK

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Easy Money, Hidden
Costs: Precautionary
Economic Analysis of
Coalbed Methane
Development in the
Powder River Basin

Skov & Myers

Precautionary Tools

Chapter 14

Invest AMERICA

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GAIN FINANCIAL FREEDOM

FEATURE: A GAS STOCK THAT'S A NATURAL RIGHT NOW!

An alternate source
that will create
untold new wealth.



Why Natural Gas is hotter than ever

BIG PROFITS IN THE WIND

U.S. natural gas supplies are in crisis and there are big winners on the rise. Are you in on one of the great pay offs of the decade, maybe even a lifetime?

PLUS

POSITIONING NOW FOR THE FUTURE

CBM - THE NEW LOW-COST PRODUCER

Special Publisher's Offer!

SPRING 2004
UPDATE VOL. NO. 4

A SIMPLE INVESTING
STRATEGY

GAINS OF OVER 200% IN
UNDER TWO MONTHS?

WHY YOU SHOULD OWN
ENERGY NOW

- 7-10,000 new jobs
- \$5 billion economic benefits to states

Precautionary economic analysis

- Value human health and environment.
- Take uncertainty into account.
- Describe full costs, risks, and harms.
- Describe distribution of costs and benefits.
- Examine alternatives.

Benefits are short term

- Extraction for 20 years
- One year's worth of US natural gas supply

Costs are public

- Subsidies--\$700 million-\$1.7 billion over next 5 years
- “Lost water”--\$2-10 billion over 20 years

Lost water: \$84 - \$400 per year for every man, woman and child in Montana and Wyoming



Public benefits to states: \$5 billion

Public costs to states: \$2-10 billion
for water PLUS...



- 77,000 wells=5 per square mile
- 25,000 miles of unpaved roads
- 47,000 miles of pipelines and power lines

BENEFITS	--2017	2017-2060	2060--
Energy companies	Value of CBM	None	None
Owners with damage ag.	Compensation	None	None
Owners without ag.	Compensation if approved	None	None
Local taxpayers	CBM taxes, some jobs	None	None
US taxpayers	1 year of natural gas	None	None

COSTS & RISKS	--2017	2017-2060	2060--
Energy companies	Extraction & damages \$\$	None	None
Owners with damage ag.	Disruption, contamination	Water table, soil, land value	Residual problems?
Owners without ag.	Same + legal fees	Water table, soil, land value	Residual problems?
WY, MT residents	Water, beauty, recreation	Water, etc. or remediation \$\$	Remediation \$ or value loss
US residents	Tax \$\$	Tax \$\$, water, remediation \$\$	Remediation \$, water?

Benefits

- Immediate and near future
- Concentrated with energy companies, spilling over to public
- Natural gas--a valuable resource

Costs

- Will occur over several generations
- Significant public \$\$
- Water--a valuable resource

Recommendations

1. Eliminate subsidies for CBM.
2. Institute environmental bonding—
developer pays.

Recommendations

3. Develop cost-effective energy strategies.
Conservation and renewables could save consumers \$100 billion and reduce natural gas use 31% by 2020.

