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January 17, 2008

Via Federal Express

Ms. Terry Lorenzon
Environmental Quality Council
122 West 25th Street
Herschler Building, Room 1714
Cheyenne, WY 82002

Re: Summary of Draft and Final permit Conditions Contested by Petitioners Yates,
Marathon and Citation

Dear Ms. Lorenzon:

This letter summarizes the conditions of the draft and final permit conditions contested by Petitioners Yates Petroleum Corporation, Marathon Oil Company and Citation Oil & Gas Corp. (the "Petitioners"). Petitioners were asked to provide this summary by the Environmental Quality Council at the January 9, 2007 Pre-Hearing Conference in order to facilitate the Council's review of exhibits submitted by Petitioners.

We reserve the right to use additional parts of the exhibits listed below at the hearing but feel that it would be helpful to the Council to focus on the following provisions of the permits and draft permits. In addition to filing this letter via electronic format, we are also providing copies pursuant to the Certificate of Service, which is attached.

Pumpkin Creek Permit (WYG280000)

November 11, 2005 draft (Exhibit 5)

Part I.A.2.b.xv. "Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as Determined by the WYPDES Program (see document entitled '*Wyoming Powder River Assimilative Capacity Allocation and Control Process*', available on the DEQ website at <http://deq.state.wy.us/wqd/events.asp>.)"

Part I.B. Category I effluent limit for specific conductance (EC) set at 3300 micromhos/cm, sodium adsorption ratio (SAR) set at 24.

Part I.F. Option for "outfalls discharging to headwater reservoirs capable of containing runoff from a 100-year, 24-hour precipitation event."

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December 16, 2005 draft (Exhibit 6)

Part I.A.2.b.xv. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the WYPDES Program (see document entitled ‘*Wyoming Powder River Assimilative Capacity Allocation and Control Process*’, available on the DEQ website.)”

Part I.D. Category IC effluent limit for EC set at 4400 micromhos/cm and the SAR limit is set at 32 unless the discharge is located upstream of “SWNW Section 7 Township 46 North, Range 75 West, on North Prong, Pumpkin Creek”. In that event, the effluent limits are 2000 micromhos/cm for EC and 12 for SAR.

Part I.E. Option for “outfalls discharging to headwater reservoirs capable of containing runoff from a 100-year, 24-hour precipitation event, or outfalls discharging to naturally topographically closed basins, i.e. playa lakes.”

August 25, 2006 (signed September 11, 2006) (Exhibit 10)

Part I.1.2.2.13. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the ‘*Wyoming Powder River Assimilative Capacity Allocation and Control Process*’.

Part I.18. This section sets forth “Requirements related to the Powder River Assimilative Capacity and Control process.”

Part I.4. Category IC effluent limit for EC set at 7500 micromhos/cm with no limit set for SAR unless the discharge is located upstream of “SWNW Section 7 Township 46 North, Range 75 West, on North Prong, Pumpkin Creek” or Section 11, Township 45 North, Range 76 West, on South Prong, Pumpkin Creek. In that event, the effluent limits are 2200 micromhos/cm for EC and 13 for SAR.

Part I.6. Option for “outfalls discharging to headwater reservoirs capable of containing runoff from a 50-year, 24-hour precipitation event, or outfalls discharging to naturally topographically closed basins, i.e. playa lakes.”

Fourmile Creek Permit/Plan

October 11, 2005 draft (Exhibit 13)

Part I.A.2.b.xv. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the WYPDES Program (see document entitled

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‘Wyoming Powder River Assimilative Capacity Allocation and Control Process’, available on the DEQ website at <http://deq.state.wy.us/wqd/events.asp>.)”

Parts I.B. to I.E. Effluent limit for EC is set at 3300 micromhos/cm, and SAR is set at 24 for all “direct discharges”.

Part I.A.1.b.v. Provides for option for “outfalls discharging to on-channel reservoirs capable of containing all CBM effluent in addition to storm water runoff equivalent to a 100 year, 24 hour precipitation event.”

Part I.F. Option for “outfalls discharging to headwater reservoirs capable of containing runoff from a 100-year, 24-hour precipitation event.”

December 16, 2005 draft (Exhibit 14)

Part I.A.2.b.xv. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the WYPDES Program (see document entitled *‘Wyoming Powder River Assimilative Capacity Allocation and Control Process’*, available on the DEQ website.)”

Part I.D. Category IC effluent limit for EC set at 4400 micromhos/cm and the SAR limit is set at 32 for discharges not located on Fourmile Creek or its tributaries. If a discharge occurs on Fourmile Creek, the effluent limits are 2000 micromhos/cm for EC and 12 for SAR.

Part I.E. Option for “outfalls discharging to headwater reservoirs capable of containing runoff from a 100-year, 24-hour precipitation event, and/or outfalls discharging to naturally topographically closed basins, i.e. playa lakes.”

February 8, 2006 draft (Exhibit 16)

Part I.1.2.1.15. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the *‘Wyoming Powder River Assimilative Capacity Allocation and Control Process’*.”

Part I.4. Sets forth Category IC effluent limits of 2130 for EC and 12.6 for SAR for discharges “located upstream of irrigation diversions identified on North Fork, Fourmile Creek in Section 34, Township 48 North, Range 79 West, or on Whiskey Draw, Fourmile Creek in Section 7, Township 47 North). Otherwise, EC is set 7500 micromhos and no limit for SAR.

Part I.1.1.2.2. Provides option for Category II discharges for “outfalls discharging to on-channel reservoirs or natural closed depressions (playa lakes) capable of containing all CBM effluent in addition to stormwater runoff equivalent to a 100 year, 24 hour precipitation event.

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Part I.5. Provides option for Categor II discharges for “outfalls discharging to headwater reservoirs capable of containing runoff from a 100 year, 24 hour precipitation event, and/or outfalls discharging to natural topographically closed basins, i.e. playa lakes.”

August 25, 2006 (signed September 11, 2006) (Exhibit 27)

Part I.1.2.1.13. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the ‘*Wyoming Powder River Assimilative Capacity Allocation and Control Process*’.

Part I.18. This section sets forth “Requirements related to the Powder River Assimilative Capacity and Control process.”

Part I.4. Category IC effluent limit for EC set at 7500 micromhos/cm with no limit set for SAR unless the discharge is located upstream of “North Fork, Fourmile Creek in Section 34 Township 48 North, Range 79 West, or on Whiskey Draw, Fourmile Creek in Section 7, Township 47 North, Range 78 West”. In that event, the effluent limits are 2130 micromhos/cm for EC and 12.6 for SAR.

Part I.1.1.2.2. Provides for option of 50-year, 24-hour containment for Category II discharges.

Part I.6. Option for “outfalls discharging to headwater reservoirs capable of containing runoff from a 50-year, 24-hour precipitation event, or outfalls discharging to naturally topographically closed basins, i.e. playa lakes.”

Willow Creek General Permit

August 11, 2005 draft (Exhibit 2)

Part I.A.2.b.xv. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the WYPDES Program (see document entitled ‘*Wyoming Powder River Assimilative Capacity Allocation and Control Process*’, available on the DEQ website at <http://deq.state.wy.us/wqd/events.asp>.)”

Part I.B. All effluent limits for EC and SAR “to be defined based on outcome of the ongoing *Wyoming Powder River Assimilative Capacity Allocation and Control Process*, and in each separate discharge authorization letter”.

Part I.A.1.b.v. & Part I.A.1.b.vi. Provide for a containment option in reservoirs capable of containing the 100-year, 24-hour precipitation event.

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Part I.F. Option for “outfalls discharging to on-channel headwater reservoirs capable of containing runoff from a 100-year, 24-hour precipitation event.”

November 4, 2005 draft (Exhibit 23)

Part I.A.2.b.xv. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the WYPDES Program (see document entitled ‘*Wyoming Powder River Assimilative Capacity Allocation and Control Process*’, available on the DEQ website at <http://deq.state.wy.us/wqd/events.asp>.)”

Part I.B. All effluent limits for EC and SAR “to be defined based on outcome of the ongoing *Wyoming Powder River Assimilative Capacity Allocation and Control Process*, and in each separate discharge authorization letter”.

Part I.I. Effluent limits “upstream of existing irrigation use” set at 2600 micromhos/cm for EC and 15 for SAR.

Part I.A.1.b.v. & Part I.A.1.b.vi. Provide for a containment option in reservoirs capable of containing the 100-year, 24-hour precipitation event.

Part I.F. Option for “outfalls discharging to on-channel headwater reservoirs capable of containing runoff from a 100-year, 24-hour precipitation event.”

December 20, 2005 draft (Exhibit 24)

Part I.A.2.b.xv. “Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the WYPDES Program (see document entitled ‘*Wyoming Powder River Assimilative Capacity Allocation and Control Process*’, available on the DEQ website.)”

Part I.B. Category IC effluent limit for EC set at 4400 micromhos/cm and the SAR limit is set at 28 for discharges located downstream of “irrigated lands.” If a discharge occurs above “irrigated lands,” the effluent limits are 1330 micromhos/cm for EC and 7 for SAR.

Part I.A.1.b.ii. Provides for the Category II option for “outfalls discharging to on-channel reservoirs or natural closed topographic depressions (playa lakes) capable of containing all CBM effluent in addition to stormwater runoff equivalent to a 100 year, 24 hour precipitation event.”

Part I.C. Option for “outfalls discharging to playa lakes or on-channel headwater reservoirs capable of containing runoff from a 100-year / 24-hour precipitation event.”

February 16, 2006 draft (Exhibit 26)

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Part I.1.2.2.15. "Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the '*Wyoming Powder River Assimilative Capacity Allocation and Control Process*'."

Part I.2. Effluent limits set at 7500 for EC and no limit for SAR if discharge occurs below "irrigated lands." Effluent limits set at 1330 micromhos for EC and 7 for SAR if upstream of "irrigated lands."

Part I.1.1.2.2. Provides the option for "outfalls discharging to on-channel reservoirs or natural closed topographic depressions (playa lakes) capable of containing all CBM effluent in addition to stormwater runoff equivalent to a 100-year, 24-hour precipitation event."

Part I.3. Provides the option for "outfalls discharging to playa lakes or on-channel headwater reservoirs capable of containing runoff from up to a 100-year/24-hour precipitation event."

August 25, 2006 (signed September 11, 2006) (Exhibit 29)

Part I.1.2.2.13. "Permittees are subject to additional requirements related to assimilative capacity in the Powder River, as determined by the '*Wyoming Powder River Assimilative Capacity Allocation and Control Process*'."

Part I.16. This section sets forth "Requirements related to the Powder River Assimilative Capacity and Control process."

Part I.2.3. Category IC effluent limit for EC set at 1330 micromhos/cm and 7 for SAR if the discharge is located upstream of "the lowermost irrigated lands on Willow Creek in the NESE of Section 23, Township 45 North, Range 77 West."

Part I.1.1.2.2. Provides Category II option for "outfalls discharging to on-channel reservoirs or natural closed topographic depressions (playa lakes) capable of containing all CBM effluent in addition to stormwater runoff equivalent to a 50 year, 24 hour precipitation event."

Part I.3. Option for "outfalls discharging to playa lakes or on-channel headwater reservoirs capable of containing runoff from up to a 50-year/24-hour precipitation event."

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We appreciate the suggestion made at the Pre-Hearing Conference to provide this summary and hope this facilitates the Council's preparation. Please give me a call if you have any questions.

Sincerely,



Matthew Joy

Cc: Mike Barrash, Wyoming Attorney General's Office
Steve Jones, Wyoming Outdoor Council

Certificate of Service

I certify that on this 17th day of January, 2008, service of a true and complete copy of Petitioners Summary of Draft and Final permit Conditions Contested by Petitioners Yates, Marathon and Citation in case Nos. 06-3816 was made upon each party or attorney of record herein as indicated below.

The ORIGINAL and ten (10) copies were filed by Federal Express and also emailing a .pdf version of the same on January 17, 2008 with:

Terri Lorenzon, Director / Attorney
Wyoming Environmental Quality Council
122 W. 25th Street
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Cheyenne, Wyoming 82002

COPIES were served by Federal Express and emailing a .pdf version of the same on January 17, 2008 with:

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COPIES were served by Federal Express on January 17, 2008 with:

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