

**FILED**

OCT 18 2007

Terri A. Lorenzon, Director  
Environmental Quality Council

**BEFORE THE  
ENVIRONMENTAL QUALITY COUNCIL  
STATE OF WYOMING**

**IN THE MATTER OF THE APPEAL OF )  
PENNACO ENERGY, INC. OF )  
CONDITIONS IN RENEWAL OF )  
WYPDES PERMIT NO. WY0048283 )**

**Docket No. 07-3620**

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**RESPONSE OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY**

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The Department of Environmental Quality (DEQ)/Water Quality Division (WQD) by and through its attorney, John S. Burbridge, Senior Assistant Attorney General, hereby responds to Pennaco Energy, Inc's. (Pennaco) appeal of conditions contained in renewal WYPDES Permit No. WY0048283, issued by the DEQ/WQD and states to the Environmental Quality Council (EQC) the following:

1. The DEQ admits the information contained in paragraph I of Pennaco's appeal.
2. The DEQ denies the information contained in paragraph II(1)(A) of Pennaco's appeal. The DEQ is without sufficient knowledge as to Pennaco's state of mind to either admit or deny the allegations contained in footnote number 1.
3. The DEQ denies the information contained in paragraph II(1)(B) of Pennaco's appeal.
4. The DEQ denies the information contained in paragraph II(1)(C) of Pennaco's appeal. the DEQ admits the statement contained in footnote number 2 but affirmatively states that there is a typographical error on page 3, "Irrigation Protection" of the permit that lead to Pennaco's comments in the footnote.

5. The DEQ denies the information contained in paragraph II(1)(D) of Pennaco's appeal.

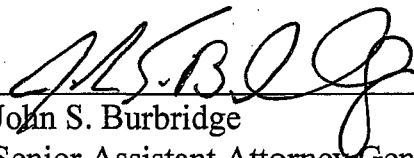
6. The DEQ denies the information contained in paragraph II(2) of Pennaco's appeal.

7. The DEQ denies each and every allegation not specifically admitted to in this response.

WHEREFORE, the DEQ prays that the Environmental Quality Council enter an ORDER affirming the conditions placed on Pennaco's renewal WYPDES Permit No. WY0048283.

DATED this 18<sup>th</sup> day of October, 2007.

FOR THE DEPARTMENT OF  
ENVIRONMENTAL QUALITY

  
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John S. Burbridge  
Senior Assistant Attorney General  
Attorney General's Office  
123 Capitol Avenue  
Cheyenne, Wyoming 82002  
307-777-6946

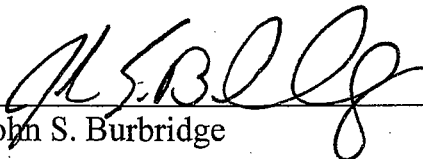
CERTIFICATE OF SERVICE

I, John S. Burbridge, certify that the foregoing Response was served by US. Mail, postage prepaid, and addressed correctly, to the following people on the 18<sup>th</sup> day of October, 2007:

Brent R. Kunz  
HATHAWAY & KUNZ. P.C.  
2515 Warren Avenue, Suite 500  
P.O. Box 1208  
Cheyenne, Wyoming 82003

Duane A. Siler  
John C. Martin  
PATTON BOGGS LLP  
2550 M Street, N.W.  
Washington, D.C. 20037

David T. Hill  
Pennaco Energy, Inc.  
3601 Southern Drive  
Gillette, Wyoming 82718

  
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John S. Burbridge