

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

IN THE MATTER OF THE APPEAL )  
OF PENNACO ENERGY, INC. FROM )  
CONDITIONS IN RENEWAL OF )  
WYPDES PERMIT NOS. WY0039721, )  
WY0039616, WY0048461, WY0052361, )  
WY0048283, WY0039632, WY0048631 )

Docket No. 07-3620

**FILED**

**MAR 03 2008**

**JOINT STATUS REPORT**


Terri A. Lorenzon, Director  
Environmental Quality Council


The Parties, Petitioner Pennaco Energy, Inc. (Pennaco), Respondent Wyoming Department of Environmental Quality (DEQ)/Water Quality Division (WQD) and Intervenor-Respondent Powder River Basin Resource Council (PRBRC), collectively the parties, submit this Joint Status Report pursuant to the Wyoming Environmental Quality Council's (EQC) January 31, 2008 Amended Order Granting Stay (Order). The Order stayed the proceedings to facilitate settlement negotiations between the parties and ordered that the parties file a status report on or before March 3, 2008. In addition, the Order requested that the parties file proposed scheduling for a contested case hearing in the event that settlement was not close to being reached.

The parties jointly report that Pennaco, DEQ and PRBRC are close to reaching a settlement agreement in the above captioned matter. The parties met on February 18, 2008 and discussed terms of settlement and Pennaco circulated a proposed settlement agreement on February 25, 2008. The proposed settlement agreement is currently being reviewed by the parties. To date, it appears likely

that settlement negotiations will be successful and that a hearing need not be set at this time while the parties are concluding settlement negotiations. The parties request that this matter be stayed an additional 30 days in order to allow the conclusion of settlement negotiations. If this matter is not settled, close to settlement or settlement is unsuccessful for any reason at the end of the 30 day period the Council will be notified and asked to set the case for hearing.

DATED this 3<sup>rd</sup> day of March, 2008.

  
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