

BEFORE THE ENVIRONMENTAL QUALITY COUNCIL  
STATE OF WYOMING

**FILED**

AUG 13 2008

IN THE MATTER OF THE APPEAL )  
AND REVIEW OF THE ISSUANCE )  
OF WYOMING POLLUTANT DISCHARGE )  
ELIMINATION SYSTEM (WYPDES) )  
PERMIT WY0049271 )  
(Yates, Taylor – Wild Horse Creek) )  
DATED July 30, 2007 )  
)

Docket No. 07-3621

Jim Ruby, Executive Secretary  
Environmental Quality Council

**JOINT STATUS REPORT AND MOTION TO STAY PROCEEDINGS PENDING  
SETTLEMENT DISCUSSIONS**

Comes now the Petitioner, Yates Petroleum Corporation (Yates), and Respondent, the Department of Environmental Quality (DEQ) (collectively, the Parties), pursuant to the DEQ Rules of Practice & Procedure and the Environmental Quality Council's (EQC) Order to Stay Proceedings, dated April 25, 2008, and hereby file this Joint Status Report and Motion to Stay Proceedings. Yates and DEQ are the only Parties to this appeal.

DEQ issued WYPDES Renewal Permit WY0049271 (the contested permit) to Yates for its Taylor – Wild Horse Creek project on July 30, 2007. Yates filed a Notice of Appeal and Request for Hearing, dated September 27, 2007, appealing the contested permit's effluent limits for specific conductance (EC) and sodium adsorption ratio (SAR) as well as the monitoring requirement for total dissolved solids (TDS).

During the Pre-Hearing Conference on April 15, 2008, the Parties requested that this matter be stayed for 120 days (until August 13, 2008) to determine whether Yates' application for a major modification of the contested permit is likely to resolve the pending appeal. On or about April 16, 2008, Yates submitted an application for a major modification of the contested permit seeking to modify the effluent limits for EC and SAR based on a Section 20 Analysis, but not the monitoring requirement for TDS. On or

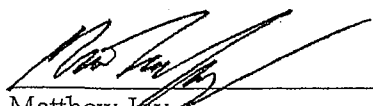
about June 16, 2008, WDEQ put out for public comment the proposed modification of the contested permit with modified effluent limits based on the Section 20 Analysis.

On or about July 25, 2008, counsel for DEQ informed counsel for Yates that DEQ proposed to add some language before issuing the modified permit. The Parties met on July 28, 2008 to discuss the additional permit language proposed by DEQ. The status of Yates' permit modification is that Yates is currently reviewing draft language proposed by DEQ in order to decide whether to withdraw or proceed with its pending appeal of the contested permit.

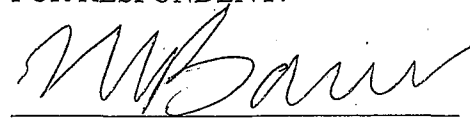
**WHEREFORE**, in order to facilitate possible settlement which would avoid unnecessary litigation costs for the Parties and the EQC, the Parties respectfully request that the EQC continue these proceedings for an additional thirty (30) days, until September 12, 2008, at which time they will notify the EQC that either they have reached agreement for dismissal of the pending appeal or request a scheduling conference to set the matter for hearing.

Respectfully submitted this 13th day of August, 2008.

FOR PETITIONER:

  
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CERTIFICATE OF SERVICE

I certify that on this 13<sup>th</sup> day of August, 2008, service of a true and complete copy of Joint Status Report and Motion to Stay Proceedings Pending Settlement Discussions in EQC Docket No. 07-3621 was made upon each party or attorney of record herein as indicated below.

Original via overnight mail, postage prepaid, duly enveloped and addressed to:

Wyoming Environmental Quality Council  
122 W. 25<sup>th</sup> Street  
Herschler Bldg., R. 1714  
Cheyenne, Wyoming 82002

A copy was delivered via email and overnight mail to:

Mike Barrash  
Office of the Attorney General  
123 Capitol  
200 W. 24<sup>th</sup> Street  
Cheyenne, WY 82002

Sharon E. Baker