BEFORE THE ENVIRONMENTAL QUALITY COUNCIL FILED STATE OF WYOMING

DEC 0 8 2008

IN THE MATTER OF THE APPEAL)	
AND REVIEW OF THE ISSUANCE)	Jim Ruby, Executive Secretary
OF WYOMING POLLUTANT DISCHARGE)	Environmental Quality Council
ELIMINATION SYSTEM (WYPDES))	Docket No. 07-3621
PERMIT WY0049271)	
(Yates, Taylor – Wild Horse Creek))	
DATED July 30, 2007)	

ORDER APPROVING JOINT STIPULATION AND DISMISSING APPEAL

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD) issued WYPDES Renewal Permit No. WY0049271 (the contested permit) on July 30, 2007, authorizing Yates Petroleum Corporation (Yates) to discharge water produced from its Taylor – Wild Horse Creek coal bed methane (CBM) project. On September 27, 2007, Yates filed a Notice of Appeal and Request for Hearing before the Wyoming Environmental Quality Council (EQC) contesting that permit's effluent limits for specific conductance (EC) and sodium adsorption ratio (SAR), as well as the effluent limit and monitoring requirement for total dissolved solids (TDS).

Yates subsequently 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. Yates did not seek to modify the TDS effluent limitation and monitoring requirements.

On or about June 16, 2008, DEQ published notice of opportunity for public comment on the proposed modification of the contested permit with modified effluent limitations for EC and SAR based on the Section 20 analysis. The DEQ received no comments on the proposed permit modification, but did add some language pertaining to the SAR limit before issuing the modified permit.

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On September 12, 2008, Yates and DEQ, the only two parties in this contested case, filed with the EQC a Joint Stipulation for Withdrawal and Dismissal of Appeal, whereby, upon issuance of the modified permit WY0049271 in the form ("4-30A-2008") which is attached thereto, Yates' pending Notice of Appeal and Request for Hearing before the EQC in Docket No. 07-3621 shall be deemed withdrawn. Chapter I, Section 11(a) of the DEQ Rules of Practice & Procedure provides for disposition of contested cases by stipulation of the parties upon approval of the EQC. Having reviewed the Parties' Joint Stipulation for Withdrawal and Dismissal of Appeal and being advised in the premises,

IT IS ORDERED that:

Yates and the DEQ now jointly stipulate to the following terms for disposition of this contested case prior to hearing:

- 1. The Parties' <u>Joint Stipulation for Withdrawal and Dismissal of Appeal</u> is approved; and
- 2. Yates' pending <u>Notice of Appeal and Request for Hearing</u> in this matter before the EQC, being deemed withdrawn, is hereby dismissed.

DATED this 2 day of November, 2008.

Dennis Boal, Chairman

Environmental Quality Council

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Herschler Bldg.

Cheyenne, WY 82002

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CERTIFICATE OF SERVICE

I, Kim Waring, certify that at Cheyenne, Wyoming, on the 9th day of December, 2008, I served a copy of the foregoing **ORDER** by depositing copies of the same in the United Stated mail, postage prepaid, duly enveloped and addressed to;

Yates Petroleum Corporation c/o Lisa Norton 105 South 4th Street Artesia, NM 88210

also to the following persons via electronic email:

Matt Joy Bischoff & Hiser, P.L.C. mjoy@jordenbischoff.com

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John Corra Director, DEQ jcorra@state.wy.us John Wagner, Administrator WQD, DEQ jwagne@state.wy.us

Kim Waring, Executive Assistant Environmental Quality Council

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