

OCT 31 2007

BEFORE THE ENVIRONMENTAL QUALITY COUNCIL  
STATE OF WYOMING

Terri A. Lorenzon, Director  
Environmental Quality Council

IN THE MATTER OF THE APPEAL OF )  
DEVON ENERGY PRODUCTION )  
COMPANY, L.P. OF CONDITIONS IN ) Docket No. 07-3800  
WYPDES PERMIT NO. WY0054259 )

**JOINT STIPULATION FOR WITHDRAWAL AND DISMISSAL OF APPEAL**

The Wyoming Department of Environmental Quality (DEQ), Water Quality Division (WQD) issued WYPDES Permit No. WY0054259 on November 21, 2006 (the 2006 permit) authorizing Devon Energy Production Company, L.P. (Devon) to discharge coal bed methane (CBM) produced water to Collins Draw in Campbell County, subject to specified conditions. The 2006 permit has an expiration date of June 30, 2008. Devon filed a Notice of Appeal and Petition for Hearing before the Wyoming Environmental Quality Council (EQC or Council) on January 19, 2007, contesting certain conditions of the 2006 permit. Devon and DEQ are the only parties in this contested case.

Devon has since submitted an application for a renewal of Permit No. WY0054259, which the DEQ has reviewed. On September 14, 2007 the DEQ put out for public comment a proposed renewal of Permit No. WY0054259, based on Devon's application, which modifies the contested 2006 permit. The DEQ received no comments on the proposed renewal of Permit No. WY0054259 during the public comment period, which has closed. Chapter I, Section 11 of the DEQ Rules of Practice & Procedure provides for disposition of contested cases by stipulation of the parties upon approval of the Council. Devon and the DEQ now jointly stipulate to the following terms for disposition of this contested case prior to hearing:

1. Having received no comments, the DEQ will issue the renewal of Permit No. WY0054259 (the renewal permit), in the form which is attached hereto as **ATTACHMENT "A"**, when this Joint Stipulation has been signed on behalf of the parties and filed with the Council.

2. The renewal permit shall become effective on the date of signature by the Director of the DEQ, and shall supersede the 2006 permit, which is due to expire on June 30, 2008.

3. Upon issuance of the renewal of Permit No. WY0054259 in the form of ATTACHMENT "A", Devon's pending Notice of Appeal and Petition for Hearing before the EQC to contest the 2006 permit shall be deemed withdrawn.

4. The parties request that the Council enter an Order approving their Joint Stipulation for Withdrawal and Dismissal of Appeal.

5. Each party shall bear its own costs and attorney fees incurred through the Council's entry of an Order approving this Joint Stipulation.

DATED this 31 day of October, 2007.

COUNSEL FOR DEVON ENERGY  
PRODUCTION COMPANY, L.P.



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— ATTACHMENT "A" to Joint Stipulation —  
 between Devon and DEQ in EQC #07--3800

Wyoming Department of Environmental Quality  
 Water Quality Division  
 WYPDES Program

STATEMENT OF BASIS

RENEWAL

**FILED**

OCT 31 2007

Terri A. Lorenzon, Director  
 Environmental Quality Council

APPLICANT NAME: Devon Energy Production Company, L.P.

MAILING ADDRESS: 20 N. Broadway, Suite 1500  
 Oklahoma City, OK 73102

FACILITY LOCATION: Collins Draw, which is located in the NENW of Section 22, the SWNW, NWNW of Section 11, the NWNW of Section 10, the SESE of Section 23, the SWSW of Section 25, Township 42 North, Range 76 West; and in the SWNW of Section 31 and the NWSE of Section 30, Township 42 North, Range 75 West, all in Campbell County. The produced water will be discharged to on-channel reservoirs (class 3B) located on various named and unnamed ephemeral tributaries (class 3B) to Collins Draw (class 3B), which is tributary to the Dry Fork of the Powder River (class 3B), which is tributary to the Powder River (class 2ABWW). The permit establishes a total maximum daily flow limit of 0.57 MGD, and requires that the produced water being discharged from this facility originate from the Big George coal seam.

NUMBER: WY0054259

*This statement of basis has been modified from the draft originally advertised in the September 14, 2007 public notice. This statement is added to clarify that the terms and conditions established in this renewal supersede those established in the original WY0054259 permit. Upon approval of this renewal, the terms and conditions established under the original WY0054259 permit are no longer effective.*

***This permit has been renewed in accordance with all current WYPDES regulations, permitting approaches and requirements. In addition, the permittee has requested that the following modifications be made to permit WY0054259 during the renewal process:***

1. *Add four outfalls (005-008) and their associated reservoirs.*
2. *Update EC and SAR limits for irrigation protection based on information submitted with this application which addresses requirements established in the Agricultural Use Protection Policy.*
3. *Add two irrigation monitoring points (IMP3-IMP4).*
4. *Update the TRIB water quality monitoring station location.*

**General Facility Description**

This facility is a typical coal bed methane production facility in which groundwater is pumped from a coal bearing formation resulting in the release of methane from the coal bed. The permit authorizes the discharge to the surface of groundwater produced in this way provided the effluent quality is in compliance with effluent limits that are established by this permit. In developing effluent limits, all federal and state regulations and standards have been considered and the most stringent requirements incorporated into the permit. The effluent limits established in this permit are based upon Chapters 1 and 2 of the Wyoming Water Quality Rules and Regulations and other evaluations conducted by WDEQ related to this industry. This