FILED

JUN 0 6 2008

Terri A. Lorenzon, Director Environmental Quality Council

Patrick J. Crank Speight, McCue & Crank, P.C. 2515 Warren Avenue, Suite 505 Cheyenne, WY 82001

Phone: (307) 634-2994 Fax: (307) 635-7155

Counsel for Proposed Intervenor Lance Oil and Gas Company, Inc.

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

IN THE MATTER OF THE APPEAL OF CLABAUGH RANCH, INC. FROM WYPDES PERMIT NO. WY0049697

Docket No. 08-3802

## LANCE OIL AND GAS COMPANY, INC MOTION FOR LEAVE TO INTERVENE

Pursuant to the Wyoming Department of Environmental Quality ("DEQ") Rules of Practice and Procedure, Chapter 2, Section 7, Lance Oil and Gas Company, Inc. ("Lance"), a Delaware Corporation licensed to do business in Wyoming, hereby files this Motion for Leave to Intervene and respectfully requests that the EQC grant Lance intervenor status in the above-captioned matter and allow Lance to participate as a full party.

### I. Background

Lance is a coal bed natural gas ("CBNG") producer with operations in the Powder River Basin of Wyoming. Lance applied and was subsequently issued a renewal of Wyoming Pollution Discharge Elimination System ("WPDES") Permit No. WY0049697, authorizing Lance to discharge produced water from its CBNG operations into the Wild Horse Creek, a tributary of the Powder River. The Administrator of

the Water Quality Division of the Department of Environmental Quality ("DEQ") signed the permit on March 24, 2008, and the Director of the DEQ signed the permit on March 26, 2008.

On May 19, 2008, Clabaugh Ranch Inc. ("Clabaugh" or "Petitioner") filed a Petition requesting review of the issuance of WYPDES Permit No. WY0049697. Clabaugh is the owner of a ranch in Sheridan and Campbell Counties, Wyoming. See Petition at ¶ 3a. Petitioner alleges that the water Lance will discharge pursuant to this WYPDES permit will cross the Clabaugh ranch for several miles. Id. At ¶ 3e.

# II. Lance Is An Indispensable Party Interested In The Determination Of This Proceeding.

The EQC's rules of practice and procedure state, in relevant part:

any person interested in obtaining relief the sought by a party or otherwise interested in the determination of a proceeding . . . pending before the Council may petition for leave to intervene in such proceeding prior to or at the date of hearing.

2 Rules of Practice & Procedure § 7(a) (emphasis added). Here, Lance is the holder of the permit being challenged by Clabaugh in this proceeding. According to the Petition, Clabaugh is asking the Council to "reverse the decision to grant the Permit and grant the Petitioner such relief as he is entitled to by law or regulation." Petition at ¶ 4.

Lance is clearly a party "otherwise interested in the determination" of this proceeding. If the Council upholds the permit, Lance will have a legal right thereunder to discharge water in accordance with the permit. If Petitioner prevails in this appeal and DEQ's decision to issue the permit is reversed, Lance's rights will be adversely affected by the

outcome of the proceeding. Lance therefore respectfully requests that its motion to intervene be granted.

Moreover, Lance is an indispensable party to the above-captioned petition. Lance's interest will be directly and adversely affected by the outcome of this proceeding should EQC grant Clabaugh's sought-after relief. Thus, Lance's interests relating to the subject of this action are so situated that EQC's disposition of the action in absence of Lance would directly impair or impede Lance's ability to protect its interests. *Cf.*Wyoming Rules of Civil Procedure 19(a), 24(a).

#### III. Conclusion

For the foregoing reasons, Lance respectfully requests that the EQC grant its Motion for Leave to Intervene. A proposed order is attached for the EQC's consideration.

Dated this 6th day of June, 2008.

SPEIGHT, McCUE & CRANK, P.C.

Patrick J. Crank

P.O. Box 1709

Cheyenne, WY 82003

(307) 634-2994

Fax: (307) 635-7155

ATTORNEYS FOR PROPOSED INTERVENOR LANCE OIL AND GAS COMPANY, INC.

### **CERTIFICATE OF SERVICE**

This is to certify that on the 6th day of June, 2008, a true and correct copy of the foregoing was served upon counsel as follows:

Director, Department of Environmental Quality 122 West 25 <sup>th</sup> Street Herschler Building, Room 174 Cheyenne, WY 82002	Federal Express Fax Hand Delivered
John Burbridge Wyoming Attorney General's Office 123 Capitol Building Cheyenne, WY 82002	U.S. Mail Federal Express Fax Hand Delivered
Tom C. Toner Yonkee & Toner, LLP P.O. Box 6288 Sheridan, WY 82801	 U.S. Mail Federal Express Fax Hand Delivered

Christen D. Haller