

FILED

OCT 10 2006

Terri A. Lorenzon, Director
Environmental Quality Council

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

IN THE MATTER OF THE APPEAL OF)
CLABAUGH RANCH, INC. FROM WYPDES) Docket No. 06-3811
PERMIT NO. WY0049697)

LANCE OIL & GAS COMPANY, INC.'S ANSWER TO PETITION

Lance Oil & Gas Company, Inc. (Lance), by and through undersigned counsel, answers the Clabaugh Ranch, Inc. (Clabaugh) Petition as follows:

1. Upon the extent of Lance's information and belief, Lance admits the allegations contained in Paragraph 1 of Clabaugh's Petition.
2. Lance admits the allegations contained in Paragraph 2 of Clabaugh's Petition.
3. Statement of Facts
 - a. Upon the extent of Lance's information and belief, Lance admits the allegations contained in Paragraph 3(a) of Clabaugh's Petition.
 - b. With respect to Paragraph 3(b) of the Clabaugh Petition, Lance admits that on March 10, 2006 the Water Quality Division of the Wyoming Department of Environmental Quality issued WYPDES Permit No. 49697 (the Permit), which is a major modification of the permit originally issued to Lance.
 - c. The Permit speaks for itself. Lance denies that Paragraph 3(c) of Clabaugh's Petition is a fair or accurate summary of the Permit, and therefore denies the allegations contained in Paragraph 3(c) of Clabaugh's Petition.
 - d. Lance admits that that the outfalls are located up drainage of the Clabaugh ranch. Lance admits that some of its discharged treated water may pass through the Clabaugh Ranch in a natural watercourse, but Lance denies the remaining allegations contained in Paragraph 3(d) of Clabaugh's Petition.
 - e. Lance admits that some of its discharged treated water may pass through the Clabaugh Ranch in a natural watercourse.

f. Lance admits that some of its discharged treated water may pass through the Clabaugh Ranch in a natural watercourse. Lance is without sufficient information or belief to admit or deny the remaining allegations contained in Paragraph 3(f) of Clabaugh's Petition and therefore denies the same.

g. Lance denies the allegations contained in Paragraph 3(g) of Clabaugh's Petition.

h. Lance denies the allegations contained in Paragraph 3(h) of Clabaugh's Petition.

i. Lance denies the allegations contained in Paragraph 3(i) of Clabaugh's Petition.

j. Lance denies the allegations contained in Paragraph 3(j) of Clabaugh's Petition.

k. Lance denies the allegations contained in Paragraph 3(k) of Clabaugh's Petition.

l. Lance denies the allegations contained in Paragraph 3(l) of Clabaugh's Petition.

m. Lance denies the allegations contained in Paragraph 3(m) of Clabaugh's Petition.

n. Lance denies the allegations contained in Paragraph 3(n) of Clabaugh's Petition.

o. Lance denies the allegations contained in Paragraph 3(o) of Clabaugh's Petition.

p. Lance denies the allegations contained in Paragraph 3(p) of Clabaugh's Petition.

q. Lance denies the allegations contained in Paragraph 3(q) of Clabaugh's Petition.

r. The Permit speaks for itself. Lance denies that Paragraph 3(r) of Clabaugh's Petition is a fair or accurate summary of the Permit or the relevant law. To the extent the allegations relate to Lance, Lance denies the allegations of Paragraph 3(r) of Clabaugh's Petition. To the extent the allegations in paragraph 3(r) relate to Devon, Lance is without sufficient information or belief to admit or deny and therefore denies the same.

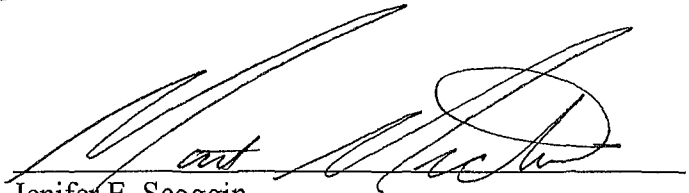
s. Lance denies the allegations contained in Paragraph 3(s) of Clabaugh's Petition.

t. The Permit speaks for itself. Lance denies that Paragraph 3(t) of Clabaugh's Petition is a fair or accurate summary of the Permit, and therefore denies the allegations contained in Paragraph 3(t) of Clabaugh's Petition. Lance is without sufficient information or belief to admit or deny the allegations concerning the December 1, 2000 letter to the DEQ from the EPA contained in Paragraph 3(t) of Clabaugh's Petition and therefore denies the same.

4. Lance denies that Clabaugh is entitled to the relief requested in Paragraph 4 of Clabaugh's Petition.

5. Lance denies each and every allegation not specifically admitted herein.

DATED: October 10, 2006

Handwritten signatures of Jenifer E. Scoggin and Matthew J. Micheli, written in black ink over a horizontal line.

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ATTORNEYS FOR LANCE OIL & GAS
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CERTIFICATE OF SERVICE

I hereby certify that on October 10, 2006, I served the foregoing **Lance Oil & Gas Company, Inc.'s Answer to Petition** on the following by:

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