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FILED

MAR 18 2008

Terri A. Lorenzon, Director
Environmental Quality Council

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

IN THE MATTER OF THE APPEAL OF CLABAUGH RANCH, INC. FROM WYPDES PERMIT NO. WY0048917)))))	Docket No. 07-3801
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MOTION TO STAY PROCEEDINGS PENDING SETTLEMENT DISCUSSIONS

On June 26, 2007, Petitioner Clabaugh Ranch, Inc. ("Petitioner") filed a Petition requesting review of the issuance of WYPDES Permit No. WY0048917. In an order dated September 17, 2007, Pennaco Energy, Inc. ("Pennaco") was granted leave to participate in this appeal as a full party.

Since this appeal was filed in June 2007, the parties have engaged in informal discussions regarding the circumstances of this case. In the course of these discussions, the parties have discussed the potential for Pennaco to adopt a new water management plan whereby the discharge permitted under WY0048917 will be fully contained in a containment pit, fully contained in a reservoir, or reinjected. Pennaco believes that the adoption of a new water management plan may have an important impact on the outcome of this case. An agreement to contain all discharge permitted under WY0048917 between Pennaco and Petitioner would obviate the need to litigate the pending appeal.

Pennaco now submits this motion for a stay of proceedings for sixty (60) days to allow additional time for the parties to enter into formal settlement negotiations. Pennaco respectfully requests that the Hearing Examiner stay the current schedule, and continue the hearing currently scheduled for June 23-27, 2008. If the parties are unable to reach an agreement during the sixty-day period, the parties will convene for a scheduling conference and the Hearing Examiner can set a new hearing schedule at that time.

Pennaco contacted counsel for the Department of Environmental Quality ("DEQ") who indicated that DEQ does not oppose a stay of the proceedings. Pennaco made multiple attempts to contact counsel for Petitioner, but has been unable to ascertain Petitioner's position on this motion.

Dated: March 18, 2008

Respectfully submitted,



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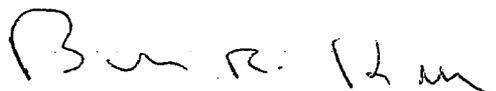
CERTIFICATE OF SERVICE

I hereby certify that on March 18, 2008 a copy of the foregoing Motion to Stay Proceedings Pending Settlement Discussions, was served via first class mail, postage prepaid, on:

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BEFORE THE ENVIRONMENTAL QUALITY COUNCIL
OF THE STATE OF WYOMING

IN THE MATTER OF THE APPEAL)
OF CLABAUGH RANCH, INC. FROM)
WYPDES PERMIT NO. WY0048917)
_____)

Docket No. 07-3801

ORDER GRANTING STAY

THIS Order arises out of a motion to stay the proceedings in Docket No. 07-3801.

The hearing examiner finds that staying the proceedings will facilitate settlement discussions between the parties and could lead to a settlement that will avoid unnecessary litigation costs for the parties and conserve the resources of the Environmental Quality Council.

IT IS HEREBY ORDERED that the proceedings in Docket No. 07-3801 shall be stayed for a period of sixty (60) days and the hearing currently scheduled for June 23 through 27, 2008 shall be continued until such time as the Hearing Examiner orders otherwise.

IT IS FURTHER ORDERED that, in the event a settlement agreement cannot be reached and Petitioner does not voluntarily dismiss all of its appeals, within ten (10) days after the expiration of this 60-day stay, the parties shall arrange for a telephone status conference with the Hearing Examiner to reset deadlines and otherwise reschedule matters in this proceeding.

DATED this _____ day of _____, 2008,

Dennis M. Boal, Hearing Examiner
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