LINCOLNAP)—Irrigators along Nebraska's Niobrara River will have another chance to convince a judge that the state was wrong to tell them to shut off their pumps two years ago.

In a ruling released Monday, the 8th U.S. Circuit Court of Appeals said that a U.S. District Court judge was wrong to dismiss the case based on arguments that the irrigators had chances to air their concerns, but missed them by not requesting hearings.

The ruling gives the eight irrigators another chance to thwart efforts by the Nebraska Public Power District to use senior water rights that went unused for years. The district said it needs the water to produce power at the 80-year-old Spencer Dam, which it owns.

Brian Dunnigan, director of the state Department of Natural Resources, declined to comment on Monday.

Dunnigan's department issued the so-called closure notices on behalf of NPPD to hundreds of irrigators, only to lift the shutdown orders shortly afterward. After the lawsuit was dismissed, the orders were reissued.

Irrigators with rights junior to NPPD were told they had to pay NPPD for the water or stop using it.

But when the Niobrara flows increased, the department again lifted the orders but warned they would be reissued when water levels are low.

The irrigators have alleged that the department formed an "unholy alliance'' with NPPD that would protect the power district's ability to produce electricity at Spencer Dam.

The irrigators have also said NPPD offered to sell water rights back to the farmers and ranchers for 70 cents per acre-foot as long as the irrigators conceded that NPPD has priority over their water rights. They called the request "economic coercion.''

When dismissing the case in 2007, the district court agreed with the state that the plaintiffs' due-process weren't violated because the shut-off notices weren't in effect at the time they filed the lawsuit and that they failed to exhaust other options before taking legal action.

In reversing the decision on Monday, the appeals court pointed out that the shut-off notices were reissued the same day of the court dismissal.