

**THRONE RANCH COMPANY
P.O. BOX 1056
SHERIDAN, WYOMING 82801-1056**

February 10, 2006

VIA HAND & ELECTRONIC DELIVERY

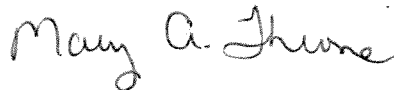
Mr. Mark Gordon
Chairman
Wyoming Environmental Quality Council
Herschler Building-1st Floor West
122 W.25th Street
Cheyenne, WY 82002

Re: Throne Ranch Company Comments on the
Petition to Amend Water Quality Rules and
Regulations, Chapter 2, Appendix H

Dear Mr. Gordon:

Enclosed please find a copy of Throne Ranch Company's comments regarding the Petition to Amend Chapter 2, Appendix H, of Wyoming's Water Quality Rules and Regulations. Please include these comments as part of the record for the Council's consideration at its February 16, 2006 meeting. I also hope to attend in person.

Sincerely,



Mary A. Throne

Enclosure

THRONE RANCH COMPANY'S COMMENTS ON
THE PETITION TO AMEND WYOMING
WATER QUALITY RULE, CHAPTER 2, APPENDIX H

February 10, 2006

INTRODUCTION

I am writing on behalf of Throne Ranch Company (Throne Ranch) to express our company's opposition to the Petition to Amend Wyoming Water Quality Rule, Chapter 2, Appendix H. Throne Ranch appreciates this opportunity to comment and believes that it is important for the Environmental Quality Council (Council) to consider a variety of landowner experiences in evaluating the pending Petition.

Fundamentally, the issue of what to do with coalbed produced water is one of water management of the resource, not one of water quality. Although the Petition somewhat acknowledges this distinction, its ultimate solution is to regulate the management of coalbed water through stricter water quality regulations that would make it more, not less difficult to manage the water resource. Landowners and operators working together, with appropriate regulatory oversight, are in the best position to develop management plans for the coalbed water. Landowners and operators working cooperatively are also in the best position to manage the coalbed water to avoid the damage alleged in the Petition.

**COALBED PRODUCED WATER HAS BENEFITTED
THRONE RANCH OPERATIONS**

My brother, Tom, and I are the sole shareholders of Throne Ranch. Most of our property is located on Wild Horse Creek, approximately 15 miles West of Gillette. The land on Wild Horse Creek has been in our family since 1945. While the land has been excellent for grazing, maintaining a sufficient and reliable supply of water for livestock purposes has always been difficult. The presence of coalbed water has eliminated this concern.

Our ranch has never had a year round supply of surface water available and has always depended on stock water wells to provide water. These wells are notoriously undependable and expensive to maintain. Drilling additional wells was also expensive and generally, not cost effective, but currently because of the availability of coalbed water, ranch operations no longer rely exclusively on stock wells. For the last few years, various operators have discharged water onto our property. Some of this water has been discharged into stock ponds and some has been discharged into ephemeral drainages, such as Bekebrede and Jeffers Draws en route to Wild Horse Creek. The operators have channeled the water down those draws to minimize any surface disturbance or impacts on native

vegetation. The coalbed water also supplies some existing reservoirs as well as new reservoirs.

In fact, the coalbed water has allowed our lessees to maintain livestock on our land when due to the extreme drought; this would not otherwise have been possible. In the absence of coalbed water, there would have been little or no water for livestock or wildlife on our property, other than that from stock water wells.

By working with our operators to manage the water and to build stock ponds, we have enhanced livestock production on our land. We have been able to expand grazing opportunities by asking operators to transport coalbed water to areas where there is grass, but no livestock water. A large portion of our summer pasture—well over a section of land—where our cattle grazed for as much as five months of the year, never had a steady supply of water. My father's efforts to have a shallow water well drilled in the area failed and it was cost prohibitive to drill a well to the coal seam. As a consequence, this portion of the pasture was never grazed fully by livestock or wildlife. Historically, this has been a source of frustration for us and our lessees. Now, there is a constant supply of water to this area and it is available for wildlife and livestock grazing.

In a different area of our ranch, we allowed an operator to irrigate a section of land. During the spring and summer of 2004, this was the only place on our ranch that had any green grass. This grass was enjoyed by cattle and wildlife alike. We tested the soil before the irrigation began and monitored the soil during the irrigation to prevent any damage.

We have not observed any substantial loss of vegetation due to discharge down either Bekebrede or Jeffers draw. Our lessees have not complained to us that the presence of water in either of these historically dry draws has in any way affected their ability to graze cattle. In fact, a steady supply of water is a relief to our lessees. Now, on those hot August days, there is no need to do a daily water check because the water supply is guaranteed.

THE PROPOSED RULE WOULD NOT ALLOW OPERATORS AND LANDOWNERS TO MANAGE THE COALBED WATER

If anything, the existing regulatory burdens associated with containment have made it more difficult for Throne Ranch to effectively manage the coalbed water, which in turn has led to more discharge down ephemeral drainages. Our lessees have wanted more containment so that they could make better use of the coalbed water. We have encouraged

our operators to do so, but with limited success due in large part to regulatory impediments. The Petition proposes a rulemaking change that would not help resolve these difficulties, but would interfere with the ability of landowners and the operators to beneficially use the water.

The proposed rule appears to convert the Water Quality Division into a wildlife and agricultural regulatory agency. This is beyond the agency's expertise and would not result in effective water management. The Division should not be expected to determine whether a landowner's reservoir plan will demonstrate "actual" beneficial use within the meaning of the proposed rule. This is a role that neither the Division, nor the landowner will relish. The rule would simply increase the regulatory responsibilities of the Division with little or no increased protection of the environment.

CONCLUSION

Many would agree with the Petitioners that coalbed produced water could be more effectively managed to enhance its beneficial use. The Petitioners, however, are proposing a rule that would only make the situation worse. Their proposed changes to Appendix H of Chapter 2 will not enhance the ability of any of the entities involved, particularly the landowners, to manage the coalbed water

for beneficial use. For this reason, Throne Ranch respectfully requests that the Council reject the Petition.

Dated this 10th day of February, 2006.

THRONE RANCH COMPANY

A handwritten signature in cursive script that reads "Mary A. Throne". The signature is written in dark ink and is positioned above a horizontal line.

Mary A. Throne
Secretary/Treasurer