FILED BEFORE THE ENVIRONMENTAL QUALITY COUNCI STATE OF WYOMING

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APR 0 3 2009

IN THE MATTER OF THE APPEAL OF JOHN D. KOLTISKA, AC RANCH, INC. A Wyoming Corporation, PRAIRIE DOG RANCH, INC., a Wyoming Statutory Close Corporation, and PRAIRIE DOG WATER SUPPLY COMPANY, FROM WYPDES PERMIT NO. WY0054364

Jim Ruby, Executive Secretary Environmental Quality Council

Docket No. 09-3805

WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY'S **RESPONSE TO PETITION**

Respondent Wyoming Department of Environmental Quality (DEQ), pursuant to the Wyoming Environmental Quality Council's (EQC) March 6, 2009 Response Order in the above-captioned matter, hereby responds to the allegations of fact in ¶3.a.-s. in Petitioners' Petition. For the purpose of this Response, all references to "the Permit" refer to WYPDES Permit No. WY0054364 issued to Pennaco Energy, Inc. (Pennaco) on January 6, 2009.

DEO admits the averment in ¶3.a. 3.a.

3.b. DEQ admits the averment in ¶3.b. that John D. Koltiska (Koltiska) is president of AC Ranch, Inc., incorporator of Prairie Dog Ranch, Inc., and a director and vice president of Prairie Dog Water Supply Company. DEQ is without knowledge or information sufficient to form a belief as to the truth of, and therefore denies, the remaining averments in ¶3.b.

DEQ admits the averment in ¶3.c. 3.c.

3.d. DEQ admits the averment in ¶3.d.

DEQ admits the averment in ¶3.e. that of Prairie Dog Water Supply 3.e. Company (PDWSC) is a Wyoming non-profit mutual benefit corporation. DEQ is without knowledge or information sufficient to form a belief as to the truth of, and therefore denies, the remaining averments in \P 3.e.

DEQ admits the averment in ¶3.f. 3.f.

3.g. DEQ admits the averment in ¶3.g.

3.h. DEQ admits the averments in ¶3.h. that AC Ranch, Inc. owns land of which portions lie on Wildcat Creek and that there are points of diversion for irrigation on Wildcat Creek downstream from outfalls 001 and 002 identified in the Permit. DEQ is without knowledge or information sufficient to form a belief as to the truth of, and therefore denies, the remaining averments in ¶3.h.

3.i. DEQ admits the allegation in \P 3.i. that the Permit authorizes discharges from outfalls 001 and 002 into Wildcat Creek. DEQ is without knowledge or information sufficient to form a belief as to the truth of, and therefore denies, the remaining averments in \P 3.i.

3.j. DEQ admits the averment in $\P3.j$. that there are points of diversion for irrigation on Prairie Dog Creek downstream from outfall 003 identified in the Permit. DEQ is without knowledge or information sufficient to form a belief as to the truth of, and therefore denies, the remaining averments in $\P3.j$.

3.k. DEQ admits the averments in \P 3.k. that the Permit authorizes discharges from outfall 003 into Prairie Dog Creek and that there are points of diversion for irrigation on Prairie Dog Creek downstream from outfall 003 identified in the Permit. DEQ is without knowledge or information sufficient to form a belief as to the truth of, and therefore denies, the remaining averments in \P 3.k.

3.1. DEQ is without knowledge or information sufficient to form a belief as to the truth of, and therefore denies, the averments in \P 3.1.

3.m. DEQ admits the averments in ¶3.m. that water discharged under the Permit "could co-mingle with water in Prairie Dog Creek" and that there are points of diversion for irrigation on Prairie Dog Creek downstream from outfall 003 identified in the Permit. DEQ is without knowledge or information sufficient to form a belief as to the truth of, and therefore denies, the remaining averments in ¶3.m.

3.n. DEQ denies the averment in \P 3.n.

3.0. DEQ is without knowledge or information of the ambient levels of EC, SAR and dissolved sodium in Prairie Dog Creek at the point of discharge (outfall 003) sufficient to form a belief as to the truth of the averment in ¶3.0., and therefore denies the averment in ¶3.0.

3.p. DEQ denies the averments in \P 3.p.

3.q. DEQ denies the averment in $\P3.q$.

3.r. DEQ denies the averment in \P 3.r.

3.s. DEQ denies the averment in \P 3.s.

DEQ generally denies any other allegations in Petitioners' Petition.

DATED this 3rd day of April, 2009.

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CERTIFICATE OF SERVICE

This certifies that true and correct copies of the foregoing <u>WYOMING DEPARMENT OF ENVIRONMENTAL QUALITY'S RESPONSE</u> <u>TO PETITION</u> was served this 3rd day of April, 2009 by United States mail, postage prepaid, and also by hand delivery, e-mail or facsimile transmission, addressed as follows:

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