

# STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Kenny C. Guinn, Governor

Allen Biaggi, Director

Leo M. Drozdoff, P.E., Administrator

November 20, 2006

Mr. William Wahl  
Mud Camp Mining Company, LLC  
498 East Imvite Road  
Amargosa Valley, Nevada 89020

Re: Issuance of Notice of Alleged Air Quality Violation and Order No. 2084  
Mud Camp Mining Company, LLC  
Class II Air Quality Operating Permit AP1459-0336.01 (FIN A0447)

Dear Mr. Wahl:

On October 12, 2006, at 9:00 a.m., the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP/BAPC) performed an unscheduled inspection of Mud Camp Mining Company, LLC's (Mud Camp's) clay mining and processing plant in Amargosa Valley, Nevada. The NDEP/BAPC inspector documented that Mud Camp failed to conduct the emissions compliance (source) testing required for five systems, which represents a violation of permit AP1459-0336.01.

The attached Notice of Alleged Air Quality Violation and Order (NOAV) No. 2084 alleges that Mud Camp is in violation of **NAC 445B.275 Violations: Acts constituting; notice**. NAC 445B.275 states, in part, that: "1. Failure to comply with any requirement of NAC 445B.001 to 445B.3689, inclusive, and sections 2 to 42, inclusive, of the CAMR regulation, any applicable requirement or any condition of an operation constitutes a violation. As required by NRS 445B.450, the director shall issue a written notice of violation to any owner or operator for any violation, including, but not limited to:

- (c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit."

Enclosed is an Administrative Stipulation and Order (ASO, two copies), which provides for final settlement of NOAV No. 2084 pending approval by the State Environmental Commission (SEC) based on our enforcement conference held on November 8, 2006. This document will be presented to the SEC for approval. Mud Camp will be notified when the hearing has been scheduled after you have signed and returned the documents. Although attendance is not mandatory, you or another appropriate representative of Mud Camp who is familiar with this matter may wish to attend the hearing.

Please sign one (1) of the ASOs and return it to me at this office. Mud Camp will be provided with one of the original documents, complete with signatures, after the SEC has ratified the agreement. Upon notification by the SEC, Mud Camp will have 30 days after the SEC hearing to remit the determined penalty. Please do not remit the penalty until you have been notified by the SEC to do so.



Mud Camp Mining Company, LLC

November 20, 2006

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An appeal of NOAV No. 2084 may be requested pursuant to Nevada Revised Statute 445B.360 and to the SEC administrative rules. A copy of SEC Appeal Form #3 is enclosed. Appeals must be received within 10 days of receipt of this notice, pursuant to NRS 445B.340. Appeals are processed through John Walker, the Executive Secretary for the SEC, at 901 South Stewart Street, Suite 4001, Carson City, Nevada, 89701-5249. Mr. Walker can be reached at 775-687-9308, or by fax at 775-687-5658. Please provide me with a copy of any correspondence your company may have with the SEC.

If you have any questions about the alleged violation or the enforcement conference, please call Caren Campbell at 702-486-2850, extension 241, or call me at 775-687-9495.

Sincerely,



Lawrence Kennedy, Ph.D.  
Acting Supervisor, Compliance and Enforcement Branch  
Bureau of Air Pollution Control

LK/clc

- Enclosures:
1. Notice of Alleged Air Quality Violation No. 2084
  2. Administrative Stipulations and Order (2 copies)
  3. SEC Appeal Form #3

cc (w/enc. 1 and 2): Caren Campbell, NDEP-LV  
John Walker, SEC  
Nye County Board of Commissioners

Route to (w/enc. 1 and 2): Leo Drozdoff, NDEP  
Michael Elges, NDEP  
Greg Remer, NDEP

Certified Mail # 7005 0390 0002 0503 8710

7005 0390 0002 0503 8710

<b>U.S. Postal Service™</b>	
<b>CERTIFIED MAIL™ RECEIPT</b>	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a> ®	
<b>OFFICIAL USE</b>	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Mr. William Wacht	
MudCampMiningCo. LLC	
Street, Apt. No. or PO Box No. 498E Imvite Road	
City, State, ZIP+4 Pahrump Valley NV 89020	
PS Form 3800, June 2002	
See Reverse for Instructions	

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF ENVIRONMENTAL PROTECTION  
BUREAU OF AIR POLLUTION CONTROL  
901 SOUTH STEWART ST., SUITE 4001  
CARSON CITY, NEVADA 89701-5249

NO. 2084

**NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER**

**NOTICE OF ALLEGED AIR QUALITY VIOLATION**

**Person(s) to Whom Served:** William Wahl  
**Company Name:** Mud Camp Mining Company, LLC  
**Address:** 498 East Imvite Road  
Amargosa Valley, Nevada 89020  
**Permit Number/FIN** AP1459-0336.01 FIN A0447  
**Site of Alleged Violation:** 498 East Imvite Road—Amargosa Valley, Nevada 89020  
**Date of Observation:** October 12, 2006 **Arrival:** 3:20pm **Departure:** 4:25pm  
**Ambient Temperature:** 78 °F **Clear:** X **Cloudy:** **Rain:** **Snow:**  
**Wind Speed:** 3-5 mph **Wind Direction:** Southwest

**It is alleged that the following regulation was violated by the person named in this notice:**

**NAC 445B.275 Violations: Acts constituting; notice.** 1. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3689, inclusive, and sections 2 to 42, inclusive, of the CAMR regulation, any applicable requirement or any condition of an operation constitutes a violation. As required by NRS 445B.450, the director shall issue a written notice of violation to any owner or operator for any violation, including, but not limited to:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit

**It is alleged that the following act or practice constitutes the violation:**

Mud Camp Mining Company failed to conduct source testing as required in Class II Air Quality Operating Permit AP1459-0336.01.

**Evidence:**

After a records review, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) discovered that Mud Camp Mining Company operated its clay mining and processing facility without performing the emissions compliance (source) testing required for five systems.

IMV had four NOAVs issued in 2004 for exceeding operating limits (throughput, hours of operation, fuel usage, PM/PM<sub>10</sub>) in 2003. They had one NOAV issued in 2003 for fugitive dust at its mining site.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2084

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

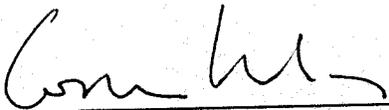
\_\_\_\_\_ To pay the following administrative fine in accordance with 445B.281.1: \_\_\_\_\_

To take corrective action: Perform the required source testing before December 31, 2006, and report the results to the NDEP-BAPC before March 2, 2007. \_\_\_\_\_

\_\_\_\_\_ To appear for a hearing before the Environmental Commission at:  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

\_\_\_\_\_ To appear for an enforcement conference at:  
Date: \_\_\_\_\_ Time: \_\_\_\_\_

\_\_\_\_\_ This notice is a warning.

Signature   
Issued by: Lawrence Kennedy, Ph.D.  
Acting Supervisor  
Compliance and Enforcement Branch

Phone: 775-687-9495 Date: 11/17/06

Certified Mail # 7005 0390 0002 0503 8710

LK/clc

*This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.*

BEFORE THE NEVADA STATE ENVIRONMENTAL COMMISSION

IN THE MATTER OF:

MUD CAMP MINING COMPANY, LLC

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)  
)  
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NOTICE OF ALLEGED

AIR QUALITY VIOLATION NO. 2084

ADMINISTRATIVE STIPULATIONS AND ORDER

WHEREAS, the State of Nevada Department of Conservation and Natural Resources, Division of Environmental Protection, Bureau of Air Pollution Control (herein after referred to as DCNR/DEP/BAPC) issued Notice of Alleged Air Quality Violation No. 2084 dated November 17, 2006, which alleged violation of Nevada Administrative Code (NAC) NAC 445B.275 Violations: Acts constituting; notice. The violation was issued to Mud Camp Mining Company, LLC, for failure to source test its clay processing equipment.

WHEREAS, DCNR/DEP/BAPC and Mud Camp Mining Company, LLC do jointly desire to enter into this Administrative Stipulation and Order without a hearing before the Nevada State Environmental Commission.

NOW, THEREFORE, the parties do hereby enter into this Administrative Stipulation and Order.

BEFORE THE NEVADA STATE ENVIRONMENTAL COMMISSION

IN THE MATTER OF: )  
MUD CAMP MINING COMPANY, LLC ) NOTICE OF ALLEGED  
) AIR QUALITY VIOLATION NO. 2084  
)

ADMINISTRATIVE STIPULATIONS AND ORDER

WHEREAS, the State of Nevada Department of Conservation and Natural Resources, Division of Environmental Protection, Bureau of Air Pollution Control (herein after referred to as DCNR/DEP/BAPC) issued Notice of Alleged Air Quality Violation No. 2084 dated November 17, 2006, which alleged violation of Nevada Administrative Code (NAC) NAC 445B.275 Violations: Acts constituting; notice. The violation was issued to Mud Camp Mining Company, LLC (Mud Camp) for failure to source test its clay processing equipment.

WHEREAS, DCNR/DEP/BAPC and Mud Camp Mining Company, LLC do jointly desire to enter into this Administrative Stipulation and Order without a hearing before the Nevada State Environmental Commission.

NOW, THEREFORE, the parties do hereby enter into this Administrative Stipulation and Order.

## STIPULATIONS

1. The Nevada State Environmental Commission has authority pursuant to Nevada Revised Statutes (NRS) 445B.640 to impose administrative penalties of not more than \$10,000 per day for violations of NRS 445B.100 to 445B.450, inclusive and NRS 445B.470 to 445B.640, inclusive or any regulation in force pursuant thereto.
2. The provisions of this Administrative Stipulation and Order shall apply to and be binding upon all the parties to this action, their officers, directors, agents, servants, employees, successors, and assigns.
3. Mud Camp Mining Company, LLC (Mud Camp), operates a clay mining and processing facility in Nye County under Class II Air Quality Operating Permit No. AP1459-0336.01.
4. On October 12, 2006 at 9:00 a.m., the NDEP/BAPC performed an unscheduled inspection of Mud Camp's clay mining and processing plant in Amargosa Valley, Nevada. The NDEP/BAPC inspector discovered that Mud Camp had apparently failed to perform required source testing.
5. On October 13, 2006, a NDEP/BAPC inspector conducted a records review. The records review confirmed that Mud Camp had not done the required source tests required for five emission systems by Permit No. AP1459-0336.01.
6. Mud Camp is in violation of **NAC 445B.275 Violations: Acts constituting; notice**, for failing to conduct source testing required for five emission systems.
7. This is Mud Camp's sixth violation within a consecutive 60-month period.
8. Mud Camp has contracted with a firm to conduct the required source testing by December 31, 2006.

ORDER

In consideration of the foregoing, IT IS ORDERED that:

1. Mud Camp Mining Company, LLC shall pay an administrative penalty to the State of Nevada in the amount of twenty-five thousand dollars (\$25,000) for the above named violation.
2. Mud Camp Mining Company, LLC shall perform the required source testing before December 31, 2006, and report the results to the NDEP-BAPC before March 2, 2007.

DATED this \_\_\_\_ day of  
\_\_\_\_\_, 2006

DATED this \_\_\_\_ day of  
\_\_\_\_\_, 2006

\_\_\_\_\_  
Leo Drozdoff, Administrator  
Div. of Environmental Protection  
901 South Stewart St., Suite 4001  
Carson City, NV 89701-5249

\_\_\_\_\_  
William Wahl  
Mud Camp Mining Company, LLC  
498 East Invite Road  
Amargosa Valley, Nevada 89020

Administrative Stipulation and Order entered in accordance with the foregoing this \_\_\_\_ day of  
\_\_\_\_\_, 2006.

\_\_\_\_\_  
for the Nevada State Environmental Commission