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STATE OF NEVADA STATE ENVIRONMENTAL COMMISSION

901 South Stewart Street, Suite 4001 Carson City, Nevada 89701-5249 Telephone (775) 687-9374 Fax (775) 687-5856 www.sec.nv.gov

August 28, 2014



Leo Drozdoff, P.E.

Dennis O'Keefe General Manager Golden Gate/S.E.T. Petroleum Partners of Nevada 16580 Wedge Parkway, #300 Reno, Nevada 89511

RE: Notice of Alleged Air Quality Violation and Order No. 2484 Class II Air Quality Operating Permit AP5171-2546 (FIN A0573)

Dear Mr. O'Keefe:

On March 26, 2014, the Nevada Division of Environmental Protection (NDEP) held an enforcement conference with Golden Gate/S.E.T. Petroleum Partners of Nevada (Golden Gate) to discuss supporting information regarding the draft Notice of Alleged Violation and Order (NOAV) No. 2484. As a result of that meeting, NDEP formally issued NOAV No. 2484; see attached.

NDEP sent NOAV No. 2484 via certified mail on April 3, 2014, notifying Golden Gate of its appeal rights pursuant to NRS 445B.340 and NRS 445B.360. Golden Gate did not appeal the NOAV. Therefore, the State Environmental Commission (SEC) will determine the appropriate penalty for the violation contained in the above referenced NOAV on Wednesday, October 8, 2014 at 9:00 a.m. in the Bryan Building in Carson City, Nevada (901 S. Stewart Street, 2nd Floor Tahoe Room).

Pursuant to NRS 445B.640(1), the SEC may approve an administrative penalty of not more than \$10,000 per day per violation. During the October 8 meeting, NDEP will provide the SEC with a brief overview of the NOAV and its recommendation for an administrative penalty of \$1,200.00. This recommended penalty was calculated using a penalty matrix previously approved by the SEC.

Although your presence is not required at this meeting, you or a representative may wish to attend to speak on behalf of Golden Gate.

The SEC may, without further notice, take administrative action against Golden Gate if the SEC determines that such administrative action is warranted after it considers NOAV 2484.

If you have any questions regarding this notice, please contact me at (775) 687-9374.

Sincerely,

Valerie King, CPM Executive Secretary

Certified Mail # 9171 9690 0935 0012 2752 71

ec: Colleen Cripps, Ph.D., Administrator Rob Bamford, Chief, BAPC Francisco Vega, NDEP/BAPC Colleen Platt, SEC/DAG