



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**

STATE OF NEVADA
Department of Conservation & Natural Resources

Brian Sandoval, Governor
Leo M. Drozdoff, P.E., Director
Colleen Cripps, Ph.D., Administrator

June 12, 2015

Joel Murphy
VP and General Manager
Florida Canyon Mining, Inc.
P.O. Box 330
Imlay, Nevada 89418

**Re: Notice of Alleged Air Quality Violation No. 2554
Class II Air Quality Operating Permit AP1041-0106.03 (FIN A0386)**

Dear Mr. Murphy:

The Nevada Division of Environmental Protection – Bureau of Air Pollution Control (BAPC) alleges that Florida Canyon Mining, Inc. (Florida Canyon) has violated a condition of Class II Air Quality Operating Permit AP1041-0106.03.

The attached Notice of Alleged Air Quality Violation and Order (NOAV) No. 2554 alleges that Florida Canyon has violated a condition of Class II Air Quality Operating Permit AP1041-0106.03. Specifically, it is alleged that Florida Canyon has Violated NAC 445B.275 due to failure to comply with the requirements for recordkeeping, monitoring, reporting or compliance certification contained in section IV.C. of the permit. As defined by Section 2 of NAC 445B.281 Violations: Classification; administrative fines, NOAV No. 2554 constitutes three minor violations and one major air quality violation.

As was discussed during the conference held on May 11, 2015, the BAPC makes recommendations to the Nevada State Environmental Commission (SEC) as to what an appropriate penalty may be for an air quality violation. The BAPC will be recommending a penalty of \$2,585.00 to the SEC. The penalty recommendation is based on the use of the Administrative Penalty Table for emission violations related to source test and adjusted by the Penalty Matrix.

An appeal of NOAV No. 2554 may be requested pursuant to Nevada Revised Statutes (NRS) 445B.360 and 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 Valerie King, the Executive Secretary for the SEC, at 901 South Stewart Street, Suite 4001, Carson City, Nevada, 89701-5249. Mrs. King can be reached at 775-687-9374, or by fax at 775-687-5856. Please provide me with a copy of any correspondence your company may have with the SEC.

If you have any questions regarding the alleged violation please call Ryan Fahey at (775) 687-9546, or, if he is unavailable, please contact me at (775) 687-9475.

Sincerely,



Jeffrey Kinder, P.E.
Chief, Bureau of Air Pollution Control
Nevada Division of Environmental Protection

JK/rf

Enc. 1. Notice of Alleged Air Quality Violation and Order No. 2554
2. SEC Appeal Form #3

cc (w/enc. 1): Valerie King, SEC
Pershing County Board of Commissioners
Ryan Fahey, BAPC
FIN A0004 (Certified Copy)

Certified Mail No.: 9171 9690 0935 0012 2545 28

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. 2554

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Joel Murphy
Company Name: Florida Canyon Mining, Inc.
Address: P.O. Box 330, Imlay, Nevada 89418
Permit Number: AP1041-0106.03 FIN: A0386
Site of Alleged Violation: Florida Canyon Mine, Imlay Nevada 89418
Date of Observation: 4/23/2015 Arrival: N/A Departure: N/A
Ambient Temperature: N/A °F Clear: Cloudy: Rain: Snow:
Wind Speed: N/A mph Wind Direction: N/A

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

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3689, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit.

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

Failure to report annual emissions information for four systems on the Annual Emissions Report (AER).

Evidence:

Florida Canyon Mining, Inc. (Florida Canyon) operates a gold mining and processing facility in Imlay, Pershing County, Nevada under Class II Air Quality Operating Permit AP1041-0106.03, issued by the Nevada Division of Environmental Protection – Bureau of Air Pollution Control (BAPC) on November 16, 2009.

On March 3, 2015 the BAPC received an AER from Florida Canyon for calendar year 2014. Upon review of the AER by the BAPC on April 23, 2015 it was noted that information was not provided for System 09 – Dore Furnace, System 10 – Carbon Kiln, System 11 – Mercury Retorts and System 12 – Steam Boiler. Air Quality Operating Permit AP1041-0106.03 requires that production and emissions information for each system be submitted to the BAPC by March 1st for each calendar year.

On May 11, 2015 the BAPC and Florida Canyon held an enforcement conference to discuss whether the issuance of the subject Notice of Alleged Air Quality Violation and Order (NOAV) was or was not warranted. Florida Canyon stated that there were several personnel issues and changes recently that led to the failure to report the proper information to the BAPC. The BAPC is aware that this may have been a contributing factor however all documentation that was submitted to the BAPC was signed by the Responsible Official for the facility and therefore is subject to the review of management. Based on the information provided by Florida Canyon during the conference the BAPC is issuing NOAV No. 2554.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2554

Evidence Continued:

In accordance with NAC 445B.281 Violations: Classification: administrative fines, the alleged failure to report permit required operating parameters constitutes three minor violations and one major violation. NOAV No. 2554 for failure to report, represents Florida Canyon's third air quality violations in the past 60 months.

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: Comply with all permit required reporting requirements.

_____ 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: Jeffrey Kinder, P.E.
Chief, Bureau of Air Pollution Control
Nevada Division of Environmental Protection

Phone: (775) 687-9475 Date: June 12, 2015

JK/rf
Certified Mail No.: 9171 9690 0935 0012 2545 28

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.



State of Nevada

Dept. of Conservation & Natural Resources

State Environmental Commission SEC.nv.gov
901 South Stewart Street, Suite 4001, Carson City, Nevada 89701

FORM 3: FORM FOR REQUESTING AN APPEAL HEARING
(Provide attachments as needed)

1. Name, address, telephone number, and signature of appellant:

Name: _____

Physical Address: _____

E-mail Address: _____

Telephone Number: _____

Signature: _____

Representative capacity (if applicable): _____

2. Attach copy of Nevada Division of Environmental Protection final decision, such as permit or notice of alleged violation, being appealed.

3. Specify grounds of appeal: (check all that apply)

Final decision in violation of constitutional or statutory provision;

Final decision made upon unlawful procedure;

Final decision was affected by other error of law;

Final decision was clearly erroneous in view of the reliable, probative and substantial evidence on the whole record;

Final decision was arbitrary or capricious or characterized by abuse of discretion;

4. For each ground of appeal checked above, please list the constitutional, Nevada Revised Statute (NRS), and/or Nevada Administrative Code (NAC) provision allegedly violated. Also list the statutes and/or or regulations that give the State Environmental Commission jurisdiction to hear the appeal.

5. For each ground of appeal checked above, provide a brief and concise statement of the facts which provide the basis for the appeal.

Date of Request: _____.

Send Form to: Executive Secretary, State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, NV 89701