



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**

STATE OF NEVADA
Department of Conservation & Natural Resources

Brian Sandoval, Governor
Leo M. Drozdoff, P.E., Director
David Emme, Administrator

July 28, 2016

Greg Gibson
President and CEO
Jerritt Canyon Gold, LLC
HC 31 Box 78
Elko, Nevada 89801

**RE: Notice of Alleged Air Quality Violation and Order No. 2568
Class I Air Quality Operating Permit AP1041-3422 (FIN A0004)**

Dear Mr. Gibson:

The Nevada Division of Environmental Protection - Bureau of Air Pollution Control (BAPC) alleges that Jerritt Canyon Gold, LLC (Jerritt) has violated conditions of Class I Air Quality Operating Permit AP1041-3422 (Permit). Specifically, the attached Notice of Alleged Air Quality Violation and Order (NOAV) No. 2568 alleges that Jerritt failed to comply with permitted emission limits during a compliance source test of System 35B – Ore Dryer (S2.022).

Nevada Administrative Code (NAC) 445B.275 Violations: Acts constituting; notice states in part:

“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:

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

On July 27, 2016, the BAPC held an enforcement conference with Jerritt to discuss supporting information regarding *Draft* NOAV No. 2568 issued on July 1, 2016. Jerritt stated that an internal investigation had been conducted on System 35B which revealed that several factors had contributed to the source test failure, and that actions had been taken to correct the problems identified. Based on the information presented during the enforcement conference the BAPC has determined that formal issuance of NOAV No. 2568 is warranted.

In accordance with **NAC 445B.281 Violations: Classification; administrative fines**, failure to meet permit limits for emissions during source testing constitutes a major violation. NOAV No. 2568 represents Jerritt’s first air quality violation within the last 60 months.

Jerritt Canyon Gold, LLC
July 28, 2016
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As was discussed during the enforcement conference, 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 **\$12,885.00** for NOAV No. 2568 based on use of the Administrative Penalty Matrix for air quality violations related to source tests.

An appeal of NOAV No. 2568 may be requested pursuant to **Nevada Revised Statute (NRS) 445B.360 Appeals to Commission: Appealable matters; action by Commission; regulations.** and SEC administrative rules. A copy of SEC Appeal Form #3 is enclosed. Appeals must be received within ten (10) days of receipt of this notice, pursuant to **NRS 445B.340 Appeals to Commission: Notice of appeal.** 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 contact Ryan Fahey at (775) 687-9546. If he is unavailable, please contact me at (775) 687-9530.

Sincerely,



Travis Osterhout, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

TO/rf

Enc. 1. Notice of Alleged Air Quality Violation and Order No. 2568
2. SEC Appeal Form #3

cc (w/enc.): Valerie King, SEC
Elko County Board of Commissioners
FIN A0004 (Certified Copy)

E-copy: Jeffrey Kinder, Chief, BAPC (via email)
Lisa Kremer, Supervisor, BAPC (via email)
Ryan Fahey, BAPC (via email)
Mirinda Jones, Jerritt (via email)

Certified Mail No.: 9171 9690 0935 0041 1070 55

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

NOAV NO. 2568

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Greg Gibson, President and CEO

Company Name: Jerritt Canyon Gold, LLC

Address: HC 31 Box 78, Elko, Nevada 89801

Permit Number: AP1041-3422 **FIN:** A0004

Site of Alleged Violation: Jerritt Canyon Mine, Elko County, Nevada

Date of Observation: 3/15/16 **Arrival:** N/A **Departure:** N/A

Ambient Temperature: N/A °F **Clear:** N/A **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:

Nevada Administrative Code (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:

(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:

Exceeded permitted emissions limit during compliance source testing.

Evidence:

On November 5, 2015 Jerritt Canyon Gold, LLC (Jerritt) conducted permit required source testing on the exhaust stack of System 35B – Ore Dryer (S2.022). Class I Air Quality Operating Permit AP1041-3422 limits the emissions of PM/PM10 to 10.16 pounds per hour for System 35B. During testing, emissions from System 35B were measured at 17.45 pounds per hour of PM/PM10, equating to 172% of the permit limit.

On July 27, 2016 the BAPC held an enforcement conference with Jerritt to determine whether the issuance of Notice of Alleged Air Quality Violation and Order (NOAV) No. 2568 was or was not warranted. Jerritt presented the findings of their internal investigation and found that several factors contributed to the source test failure, to include faulty meters, broken manifolds and spray heads in the scrubber unit, and damage to baghouse filters. Jerritt has taken corrective actions to repair the broken controls and has implemented standard operating procedures and preventative maintenance plans in an effort to avoid this type of failure again in the future. Based on the information provided by Jerritt the BAPC has determined that formal issuance of NOAV No. 2568 is warranted.

In accordance with **NAC 445B.281 Violations: Classification; administrative fines**, failing to meet permit limits for emissions during source testing constitutes a major violation. This NOAV represents Jerritt's first air quality violation within the last 60 months.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2568

ORDER

Under the authority of Nevada Revised Statute (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: Conduct retesting on System 35B – Ore Dryer (S2.022) to show compliance with permitted emission limits.

_____ To appear for an enforcement conference at: 901 S. Stewart St. Suite 4001, Carson City, Nevada, 89701
Date: _____ Time: _____

_____ To conduct a Supplemental Environmental Project specified by the NDEP-BAPC

_____ This notice is a warning.

Signature 
Issued by: Travis Osterhout P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: (775) 687-9530 Date: July 28, 2016

TO/rf

Certified Mail No.: 9171 9690 0935 0041 1070 55

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