

STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Brian Sandoval, Governor

Leo M. Drozdoff, P.E., Director

Colleen Cripps, Ph.D., Administrator

December 9, 2013

Kiersten Hooper
President
Nevada Slag, Inc.
55 North 4th Street, PO Box 1314
McGill, NV 89318

**RE: Notice of Alleged Air Quality Violation and Order Nos. 2455 and 2456
Class II Air Quality Operating Permit AP3295-1065.02 (FIN A0527)**

Dear Ms. Hooper:

The Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) alleges that Nevada Slag, Inc. (NSI) has violated conditions of Class II Air Quality Operating Permit AP3295-1065.02.

On July 31, 2013, in an effort to set up an enforcement conference with NSI, the NDEP-BAPC sent the draft Notice of Alleged Air Quality Violation and Order (NOAV) for this alleged violation via certified mail to the address listed above. The draft NOAV was returned to the NDEP-BAPC as undeliverable. All previous correspondence sent to the above address was deliverable. Attempts to contact NSI via telephone were unsuccessful as the phone number (which was used successfully before) has been disconnected.

As all efforts to contact NSI have been exhausted, the NDEP-BAPC is moving forward and formally issuing NOAV Nos. 2455 and 2456. Failure to operate required air pollution controls and exceeding permitted emission limits constitute violations of **Nevada Administrative Code (NAC) 445B.275 Violations: Acts constituting; notice** (see below).

NAC 445B.275 Violations: Acts constituting; notice states, in part, that: "1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, 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.

The attached NOAV Nos. 2455 and 2456 constitute major violations as defined by Section 2 of **NAC445B.281 Violations: Classification; administrative fines**. NOAV Nos. 2455 and 2456 are the first NOAVs issued to NSI in the past 60 months.



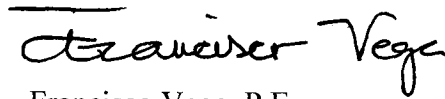
Nevada Slag, Inc.
December 9, 2013
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The NDEP-BAPC makes recommendations to the Nevada State Environmental Commission (SEC) as to what an appropriate penalty may be for major air quality violations. The NDEP will be recommending a penalty of \$12,000 for NOAV No. 2455 and \$600 for NOAV No. 2456.

An appeal of NOAV Nos. 2455 and 2456 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. Ms. 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 violations, please call Ryan Clark at (775) 687-9536 or myself at (775) 687-9343.

Sincerely,



Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

FV/rc

enc.: 1. Notice of Alleged Air Quality Violation and Order Nos. 2455 & 2456
2. SEC Appeal Form #3

cc (w/enc. 1): Valerie King, SEC
White Pine County Board of Commissioners
Francisco Vega, NDEP
FIN A0527 (Certified Copy)

Certified Mail No.: 9171 9690 0935 0012 7080 45

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. 2455

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Kiersten Hooper, President

Company Name: Nevada Slag, Inc.

Address: 55 North 4th Street, PO Box 1314
McGill, NV 89318

Permit Number: AP3295-1065.02

FIN: A0527

Site of Alleged Violation: McGill, Nevada

Date of Observation: 6/27/13

Arrival: 9:45 AM

Departure: 11:00 AM

Ambient Temperature: 88

°F

Clear: x

Cloudy:

Rain:

Snow:

Wind Speed: calm mph

Wind Direction:

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.3791, 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:

Opacity exceedances on System 2 – Dryer (S 2.001.2) and System 3 – Material Transfer (PF 1.006).

Evidence:

Nevada Slag, Inc. (NSI) operates a screening and bagging facility in McGill, White Pine County, Nevada, under Class II Air Quality Operating Permit AP3295-1065.02, issued by the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) on March 16, 2011.

On June 27, 2013, NDEP-BAPC staff observed large amounts of dust emanating from NSI's permitted System 2, Dryer (S 2.001.2), and System 3, Material Transfer (PF 1.006). Two Visual Emission Opacity (VEO) readings were conducted. One VEO was conducted on the wet scrubber controlling emissions from System 2, Dryer (S 2.001.2), and one VEO was conducted on the drop point located at System 3, Material Transfer (PF 1.006). Per Class II Air Quality Operating Permit AP3295-1065.02, each of these emission points has a 20% opacity limit. The observed opacity from the wet scrubber on System 2 was 78.95% and the observed opacity from the material transfer point on System 3 was 81.04%.

On July 31, 2013, in an effort to set up an enforcement conference with NSI, the NDEP-BAPC sent the draft Notice of Alleged Air Quality Violation and Order (NOAV) for this alleged violation via certified mail to the address listed above. The draft NOAV was returned to the NDEP-BAPC as undeliverable. All previous correspondence sent to the above address was deliverable. Attempts to contact NSI via telephone were unsuccessful as the phone number (which was used successfully before) has been disconnected.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2455

Evidence (cont.):

As all efforts to contact NSI have been exhausted, the NDEP-BAPC is moving forward and formally issuing NOAV 2455

In accordance with **NAC 445B.281 Violations: Classification; administrative fines**, failing to comply with a permitted emission limit constitutes a major violation. This NOAV No. 2455, along with NOAV No. 2456 represents NSI's first air quality violation 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: _____

_____ 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 Francisco Vega
Issued by: Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: December 9, 2013

FV/rc
Certified Mail No.: 9171 9690 0935 0012 7080 45

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
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. 2456

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Ms. Kiersten Hooper

Company Name: Nevada Slag, Inc.

Address: 55 North 4th Street, PO Box 1314
McGill, NV 89318

Permit Number: AP3295-1065.02

FIN: A0527

Site of Alleged Violation: McGill, Nevada

Date of Observation: 6/27/13

Arrival: 9:45 AM

Departure: 11:00 AM

Ambient Temperature: 88

°F

Clear: x

Cloudy:

Rain:

Snow:

Wind Speed: calm mph

Wind Direction:

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.3791, 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:

Failure to properly operate the wet scrubber control on System 2, Dryer (S 2.001.2).

Evidence:

Nevada Slag, Inc. (NSI) operates a screening and bagging facility in McGill, White Pine County, Nevada, under Class II Air Quality Operating Permit AP3295-1065.02, issued by the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) on March 16, 2011.

On June 27, 2013, NDEP-BAPC staff observed large amounts of dust emanating from the wet scrubber controlling emissions from NSI's permitted System 2, Dryer (S 2.001.2). Upon discussion with the plant operator it was discovered that water was not being run to the wet scrubber. A large amount of dust was also observed billowing out from the bottom of the wet scrubber vessel, instead of being exhausted through the wet scrubber stack.

On July 31, 2013, in an effort to set up an enforcement conference with NSI, the NDEP-BAPC sent the draft Notice of Alleged Air Quality Violation and Order (NOAV) for this alleged violation via certified mail to the address listed above. The draft NOAV was returned to the NDEP-BAPC as undeliverable. All previous correspondence sent to the above address was deliverable. Attempts to contact NSI via telephone were unsuccessful as the phone number (which was used successfully before) has been disconnected.

As all efforts to contact NSI have been exhausted, the NDEP-BAPC is moving forward and formally issuing NOAV 2456.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2456

Evidence (cont.):

In accordance with **NAC 445B.281 Violations: Classification; administrative fines**, failure to operate a required air pollution control constitutes a major violation. This NOAV No. 2456, along with NOAV No. 2455 represents NSI's first air quality violation 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: _____

_____ 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 Francisco Vega
Issued by: Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: December 9, 2013

FV/rc
Certified Mail No.: 9171 9690 0935 0012 7080 45

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