

# 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

February 13, 2012

Brian Musser  
Environmental Manager  
Barrick Cortez, Inc.  
HC 66, Box 1250  
Crescent Valley, Nevada 89821-1250

**Re: NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2397  
CLASS I AIR QUALITY OPERATING PERMIT AP1041-2141 (FIN A0001)**

Dear Mr. Musser:

On January 31, 2012, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) Barrick Cortez (Cortez) held an enforcement conference to discuss Cortez's failure to comply with Class 1 Air Quality Operating Permit AP1041-2141. On January 17, 2012, the NDEP-BAPC was notified, by Cortez, that the required test-by date of April 18, 2011 had been missed for System 10, Pipeline Carbon Reactivation Kilns (Units S2.007 and S2.008). The failure to comply with a condition of an air quality operating permit constitutes a violation under **NAC 445B.275 Violations: Acts constituting; notice** (see below).

The attached Notice of Alleged Air Quality Violation and Order (NOAV) No. 2397 alleges that Cortez failed to conduct required compliance source testing by April 18, 2011. **NRS 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.

NOAV No. 2397 constitutes a major violation under **NAC 445B.281 Violations: Classification; administrative fines**. NOAV No. 2397 is the first issued to Cortez in over 60 months.

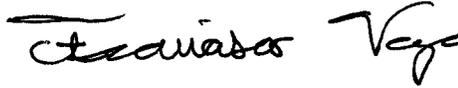
An appeal of NOAV No. 2397 may be requested pursuant to **Nevada Revised Statutes (NRS) 445B.360** and SEC administrative rules. A copy of SEC Appeal Form #3 is enclosed. Appeals must be received within 10 days of receipt of this notice, pursuant to **NRS 445B.340**. Appeals are processed through John 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 775-687-5856. Please provide me with a copy of any correspondence your company may have with the SEC.



Barrick Cortez, Inc.  
February 13, 2012  
Page 2

If you have any questions regarding the alleged violations or the enforcement conference, 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

Enclosures: 1. Notice of Alleged Air Quality Violation and Order No. 2397  
2. SEC Appeal Form #3

cc (w/enc. 1): John Walker, SEC  
Brent Downey, Barrick Cortez (via e-mail)  
Ryan Schulta, Barrick Cortez (via e-mail)  
Lander County Board of Commissioners  
Francisco Vega, NDEP  
FIN A0001 (Certified Copy)

E-Copy: Larry Kennedy, NDEP  
Jeff Kinder, NDEP

Certified Mail No.: 7011 1570 0002 9616 5328

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. 2397

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

**NOTICE OF ALLEGED AIR QUALITY VIOLATION**

**Person(s) to Whom Served:** Mr. Brian Musser

**Company Name:** Barrick Cortez, Inc.

**Address:** HC 66, Box 1250, Crescent Valley, NV 89821-1250

**Permit Number:** AP1041-2141 **FIN:** A0001

**Site of Alleged Violation:** Barrick Cortez Mine

**Date of Observation:** 1/18/2012 **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.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 complete required performance testing within specified time period.

**Evidence:**

Barrick Cortez, Inc. (Cortez) operates a gold mine in Crescent Valley, Lander County, Nevada under Class I Air Quality Operating Permit AP1041-2141, issued by the Nevada Division of Environmental Protection - Bureau of Air Pollution Control (NDEP-BAPC) on January 28, 2008.

On January 17, 2012, the NDEP-BAPC was notified by Cortez that the required test-by date of April 18, 2011 had been missed for System 10, Pipeline Carbon Reactivation Kilns (Units S 2.007 and S 2.008).

Class I Air Quality Operating Permit AP1041-2141 required that System 10 be tested within 180 days of April 18, 2011. Compliance source testing was to be completed no later than October 18, 2011.

On January 31, 2012, the NDEP-BAPC and Cortez held an enforcement conference to discuss Cortez's failure to comply with Class I Air Quality Operating Permit AP1041-2141. During the enforcement conference Cortez explained that while reviewing the Class I Air Quality Operating Permit in preparation for upcoming renewal testing it was discovered that the test date for System 10 had been missed. The other systems that require renewal testing all have a common test date that is different from the System 10 test date. This difference in test date requirements is the result of the previous operator (Placerdome) requesting that this testing date be kept (as a result of compliance testing under the Class II Air Operating Permit that preceded the Class I Air Operating Permit.)

# NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2397

## Evidence (continued):

It was also disclosed that Cortez has a comprehensive tracking system called an "Obligation Registrar" that allows them to easily track all permit requirements and deadlines. Upon review of the Obligation Registrar it was found that the wrong testing date was input for System 10. In order to remedy this situation so that it does not happen again, Cortez is conducting an audit/review of every permit requirement/deadline in the Obligation Registrar.

During the enforcement conference it was also agreed upon that Class I Air Quality Operating Permit AP1041-2141 would be modified during the upcoming renewal to change the testing date for System 10 to correspond with the testing date for the other systems that require testing.

Failure to conduct required compliance source testing within the specified time period constitutes a major violation under **NAC 445B.281 Violations: Classification; administrative fines**. Notice of Alleged Air Quality Violation and Order (NOAV) No. 2397 represents Cortez's first air quality violation within the last 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: Complete all required source testing by August 1, 2012

\_\_\_\_\_ 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  
Supervisor, Compliance and Enforcement Branch  
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: February 13, 2012

FV/rc  
Certified Mail No.: 7011 1570 0002 9616 5328

*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.*

**FORM # 3**  
**FORM FOR REQUESTING AN APPEAL HEARING**  
**BEFORE THE NEVADA STATE ENVIRONMENTAL COMMISSION**

1. Name, address, telephone number, and signature of applicant:  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Representative Capacity (if applicable): \_\_\_\_\_
2. Specify type of applicant: Individual, Partnership, Corporation, or Other: \_\_\_\_\_
3. Other person or persons authorized to receive service of notice: \_\_\_\_\_
4. Complete description of the business or activity and the location of the activity involved in the request: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. Nature of the appeal and grounds thereof: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Section or sections of the State Air Quality Regulations, Water Pollution Control Regulations, Hazardous Waste Regulations, Solid Waste Management Regulations, or NRS section involved in the appeal: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. Approximate time in hours and minutes necessary for delivery of oral testimony and reading of prepared statements as admissible evidence to be entered in the record: \_\_\_\_\_

Date of Request \_\_\_\_\_

Send Form To: John Walker, State Environmental Commission, 901 South Stewart Street, Suite 4001  
Carson City, Nevada 89701-5249 (Fax 775-687-5856)