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COUNSEL Rose Marie Reynolds

STAFF
John B. Walker
Executive Secretary

STATE OF NEVADA STATE ENVIRONMENTAL COMMISSION

901 South Stewart Street, Suite 4001 Carson City, Nevada 89701-5249 Telephone (775) 687-9308 Fax (775) 687-5856 www.sec.nv.gov



Leo Drozdoff, P.E.

May 11, 2012

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

RE: Penalty Assessments for Air Quality Violation (NOAV - Notice of Alleged Air Quality Violation No 2397)

Dear Mr. Musser:

In January 2012 representatives from the Nevada Division of Environmental Protection (NDEP) met with officials from your company in an enforcement conference concerning Barrick Cortez's alleged failure to comply with requirements set forth in Class I Air Quality Operating Permit AP1041-2141. As an outcome of that meeting NDEP issued the above referenced NOAV (see attached).

When NDEP sent the NOAV by certified mail on February 13, 2012, it notified Barrick Cortez of its appeal rights pursuant to NRS 445B.340 and NRS 445B.360. Since your company did not appeal the NOAV, the State Environmental Commission (SEC) will determine the appropriate penalty for the violations contained in NOAV No. 2397 at its meeting on June 12, 2012. This meeting will be held on Tuesday, June 12, 2012 at 9:30 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 levy an administrative fine of not more than \$10,000 per day per violation. At the meeting staff from NDEP will provide the SEC with a brief overview of the NOAV and its recommendation for an administrative fine of \$3,000.00, which has been calculated from a penalty matrix previously approved by the Commission. The Commission will formally levy a fine by accepting NDEP's recommendation or increasing or decreasing the fine amount based on the information presented at the meeting.

Your presence is not required at the June 12, 2012 meeting, although you or a company representative may wish to attend and speak on behalf of Barrick Cortez. The SEC may, without further notice, take administrative action against Barrick Cortez, if the SEC determines that such administrative action is warranted after it considers NOAV 2397.

If you have any questions regarding this notice, please contact me at (775) 687-9308.

Sincerely,

John B. Walker Executive Secretary

JBW

Certified Mail # 9171 9690 0935 0010 5553 13

ec: Colleen Cripps, Ph.D., Administrator Michael Elges, Deputy Administrator Francisco Vega, NDEP/BAPC Rose Marie Reynolds, SEC/DAG