

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

July 28, 2011

Charles M. Olson
Controller
Rees's Enterprise
PO BOX 358
Coalville, Utah 84017

**RE: NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2328
CLASS II GENERAL AIR QUALITY OPERATING PERMIT AP1442-0045.02, COLA
2248 (FIN A0036)**

Dear Mr. Olson:

On July 28, 2011, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) and Rees's Enterprise, (Rees) held an enforcement conference to discuss Rees's failure to comply with Class II General Air Quality Operating Permit AP1442-0045.02, COLA 2248.

On March 4, 2011, the NDEP-BAPC conducted an on-site inspection of the Rees facility in Lovelock, Pershing County, Nevada, operating under Class II General Air Quality Operating Permit AP1442-0045.02, COLA 2248. During the inspection it was discovered that Rees was in violation of Class II General Air Quality Operating Permit AP1442-0045.02, COLA 2248. Failure to comply with a permit requirement represents an air quality violation under **NRS 445B.275 Violations: Acts Constituting; Notice.**

The attached Notice of Alleged Air Quality Violation and Order (NOAV) No. 2328 alleges that Rees is in violation of **NRS 445B.470 Prohibited Acts; penalty; establishment of violation; request for prosecution.** 1. A person shall not knowingly: (a) Violate any applicable provision, the terms or conditions of any permit or any provision for the filing of information; required pursuant to the provisions of NRS 445B.100 to 445B.450, inclusive, or 445B.470 to 445B.640, inclusive, or any regulation adopted pursuant to those provisions. 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:

(a) Violate any applicable provision, the terms or conditions of any permit or any provision for the filing of information.

NOAV No. 2328 constitutes a major violation under **NAC 445B.281 Violations: Classification; administrative fines.** This is the first NOAV issued to Rees in over 60 months.

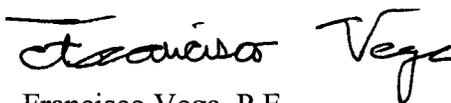


Rees's Enterprise
July 28, 2011
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An appeal of NOAV No. 2328 may be requested pursuant to **Nevada Revised Statutes (NRS) 445B.360** and SEC administrative rules. A copy of SEC Appeal Form #3 is enclosed. Appeals must be received within 10 days of receipt 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.

If you have any questions about the alleged violations, the penalty assessment process, or the appeal process please call me 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. 2328
2. SEC Appeal Form #3

cc (w/enc. 1): John Walker, SEC
Francisco Vega, NDEP
FIN A0036 (Certified Copy)

Route to (w/enc. 1): Lawrence Kennedy, NDEP
Jeff Denison, NDEP

Certified Mail No.: 7010 3090 0002 0466 7962

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. 2328

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Charles M. Olson, Controller

Company Name: Rees's Enterprise

Address: PO BOX 358, Coalville, UT 84017

Permit Number: AP1442-0045.02

FIN: A0036

Site of Alleged Violation: COLA #2248 Near Lovelock

Date of Observation: 3/4/2011

Arrival:

Departure:

Ambient Temperature:

°F

Clear:

Cloudy:

Rain:

Snow:

Wind Speed:

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 operate required air pollution controls.

Evidence:

Rees's Enterprise (Rees) operates an aggregate processing facility, near Lovelock in Pershing County, Nevada, under Class II General Air Quality Operating Permit AP1442-0045.02, COLA #2248 issued by the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) on December 2, 2010. Rees notified the NDEP-BAPC of start of operations under COLA #2248 was January 26, 2011.

On March 4, 2011, a NDEP-BAPC official driving on I-80 noticed a large amount of dust coming from the facility. Upon arrival the official noticed dust was emanating from conveyor transfer points. Upon investigation, the NDEP-BAPC official discovered that Rees was not operating required air pollution controls (wet dust suppression) as required by COLA #2248 on System 01 (PF 1.016). Rees complied with the official's verbal request to hook up water to the emission control system and operate it.

On July 28, 2011, the NDEP-BAPC and Rees held an enforcement conference to discuss Rees's failure to comply with Class II General Air Quality Operating Permit AP1442-0045.02, COLA #2248. During the enforcement conference Rees was given the opportunity to present evidence showing that the alleged violation did not occur. Rees presented no evidence disproving the alleged violation and conceded that the operator of the crushing and screening plant failed to have the wet dust suppression on System 01 (PF 1.016) hooked up. Given the information discussed during the enforcement conference, the decision was made to move forward with the issuance of the NOAV.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2328

This failure to operate a required emission control constitutes one (1) major violation. Notice of Air Quality Violation and Order (NOAV) No. 2328 represents Rees'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: Operate all required emission controls to ensure that all emission units comply with permitted emissions limits.

_____ 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: July 28, 2011

FV/rc
Certified Mail No.: 7010 3090 0002 0466 7962

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)