



February 21, 2017

Don Deines
General Manager
Rawhide Mining, LLC
PO Box 2070
Fallon, Nevada 89407

**RE: Notice of Alleged Air Quality Violation and Order No. 2577
Class I Air Quality Operating Permit AP1041-2892 (FIN A0406)**

Dear Mr. Deines:

The Nevada Division of Environmental Protection - Bureau of Air Pollution Control (BAPC) alleges that Rawhide Mining, LLC (Rawhide) has violated conditions of Class I Air Quality Operating Permit AP1041-2892 (Operating Permit). Specifically, the attached Notice of Alleged Violation and Order (NOAV) No. 2577 alleges that Rawhide failed to comply with permitted emission limits for Mercury (Hg) on System 04 – Tilting Crucible Furnace (S2.004) during source testing conducted on December 8, 2015 – December 10, 2015.

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 August 25, 2016, the BAPC held an enforcement conference with Rawhide to discuss *Draft* NOAV No. 2577 issued on August 5, 2016. Based on the available information, the BAPC has determined that formal issuance of NOAV No. 2577 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. 2577 represents Rawhide’s first air quality violation within the last 60 months.

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 **\$6,480.00** for NOAV No. 2577 based on use of the Administrative Penalty Matrix for air quality violations related to source tests.

Rawhide Mining, LLC

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An appeal of NOAV No. 2577 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 Comission: 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 Robert Whited by phone at (775) 687-9335, or by email at rwhited@ndep.nv.gov. If he is unavailable, please contact me by phone at (775) 687-9530, or by email at travis.osterhout@ndep.nv.gov.

Sincerely,



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

TO/rew

enc.: 1. Notice of Alleged Air Quality Violation and Order No. 2577
2. SEC Appeal Form #3

cc (w/enc.): Valerie King, SEC
Mineral County Board of Commissioners
FIN A0406 (Certified Copy)

E-Copy: Lisa Kremer, Chief, BAPC
Jennifer Collier, Supervisor, BAPC
Robert Whited, BAPC
Don Deines, Rawhide

Certified Mail No.: 9171 9690 0935 0041 1153 57

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. 2577

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Don Deines, General Manager

Company Name: Rawhide Mining, LLC

Address: P.O. Box 2070, Fallon, Nevada 89407

Permit Number: AP1041-2892 **FIN:** A0406

Site of Alleged Violation: Rawhide Mine 55 miles Southeast of Fallon off of State Route 839

Date of Observation: 03/10/2016 **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:

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 limits during compliance source testing.

Evidence:

Rawhide Mining, LLC (Rawhide) operates a gold ore processing facility under the requirements of Class I Air Quality Operating Permit AP1041-2892 (Operating Permit), issued by the Nevada Division of Environmental Protection – Bureau of Air Pollution Control (BAPC) on March 28, 2014.

On December 8, 2015 – December 10, 2015, Rawhide conducted testing required by the Operating Permit on the exhaust stack of System 04 – Tilting Crucible Furnace (S2.004). The Operating Permit limits the emissions of Mercury (Hg) to 1.0×10^{-5} grains per dry standard cubic foot (gr/dscf). Results show that during testing emissions from System 04 were measured at 1.62×10^{-5} gr/dscf, which is 162% of the permitted emission limit.

On August 25, 2016 the BAPC held an enforcement conference with Rawhide to determine whether formal issuance of Notice of Alleged Air Quality Violation and Order (NOAV) No. 2577 was or was not warranted. During the enforcement conference Rawhide was unable to present any information to indicate that the violation had not occurred as alleged. Based on the available information, the BAPC has determined that formal issuance of NOAV No. 2577 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 Rawhide's first air quality violation within the last 60 months.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

ORDER

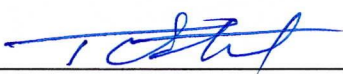
Under the authority of Nevada Revised Statute (NRS) 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: \$ _____

_____ To take corrective action: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

_____ 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: February 21, 2017

TO/rew

Certified Mail No.: 9171 9690 0935 0041 1153 57

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