

Joe Lombardo
Governor



STATE OF NEVADA
STATE ENVIRONMENTAL COMMISSION

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James Settelmeyer
Director



August 5, 2025

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COUNSEL

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STAFF

Sheryl Fontaine
Executive Secretary

Destiney Fitch
Recording Secretary

Scot Stretch
Business Development Manager
Drilling Minerals Industries, LLC
700 17th Street, Suite 2400
Denver, CO 80202

RE: Second Notice of Alleged Air Quality Violation and Order No. 3175
Class II Air Quality Operating Permit AP1479-3903 (FIN A1196)

Dear Mr. Stretch:

On October 30, 2024, the Nevada Division of Environmental Protection (NDEP) held an enforcement conference with Drilling Minerals Industries, LLC (DMI) to discuss supporting information regarding the draft Notice of Alleged Violation and Order (NOAV) No. 3175. As a result of that meeting, the NDEP formally issued the above NOAV via certified mail on April 11, 2025. See attachment.

Upon formal issuance of the NOAV, NDEP notified DMI of its appeal rights pursuant to NRS 445B.340 and NRS 445B.360. DMI did not appeal the NOAV. The State Environmental Commission (SEC) heard NOAV 3175 during their May 28, 2025, meeting. NOAV No. 3175 was upheld for a total penalty amount of \$28,900.00, with an amount (to be determined by NDEP and DMI) payable to the State of Nevada and the remainder to be held in abeyance and dismissed after DMI and NDEP agreed upon, and DMI completed to the satisfaction of NDEP, a Supplemental Environmental Project (SEP) with at least equivalent value. NDEP and DMI were unable to agree upon a suitable SEP.

Therefore, the State Environmental Commission (SEC) will determine the appropriate penalty for the violation contained in the above-referenced NOAV on **Tuesday, September 9, 2025, at 9:00 a.m. at the Richard H. Bryan Building, Bonnie B. Bryan Conference Room (first floor) located at 901 South Stewart Street, Carson City.** The meeting will also be video-conferenced to the Red Rock Conference room located at the NDEP offices 375 East Warm Springs Blvd., Las Vegas. It will also be held virtually. To join remotely, please use the link on the [SEC website](#) or telephone into the meeting at 1(877) 321-6111, ID 502 503 520#.

Pursuant to NRS 445B.640(1) the SEC may approve an administrative penalty of not more than \$10,000 per day per violation. During the September 9, 2025, meeting, NDEP will provide the SEC with a brief overview of the

NOAV and the recommendation for administrative penalty of \$28,900.00 for NOAV 3175. This recommended penalty was calculated using a penalty matrix previously approved by the SEC.

Although your presence is not required at this meeting, you or a representative may wish to attend to speak on behalf of DMI.

The SEC may, without further notice, take administrative action against DMI if the SEC determines that such administrative action is warranted after it considers NOAV No. 3175.

If you have any questions regarding this notice, please contact me at (775) 687-9374.

Sincerely,



Sheryl Fontaine
Executive Secretary

Certified Mail # 9489 0090 0027 6528 5169 99

ecc: Jennifer Carr, NDEP Administrator
Danilo Dragoni, NDEP Deputy Administrator
Jeff Kinder, NDEP Deputy Administrator
Rick Perdomo, NDEP Deputy Administrator
Andrew Tucker, Chief, BAQP
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Todd Weiss (acting), SEC/DAG
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