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STATE OF NEVADA STATE ENVIRONMENTAL COMMISSION

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REVADA HOUSE

Leo Drozdoff, P.E.

Acting Director

September 20, 2010

Ernie Selman Vice President Cind-R-Lite Cone Mine 4745 Mitchell street North Las Vegas, NV 89031

RE: Notice of Alleged Air Quality Violation and Order (NOAV) No. 2247

Dear Mr. Selman:

As you know, the State Environmental Commission (Commission) has denied your appeal of the above referenced order as untimely. On September 20, 2010, I spoke with your staff (Nikki) about NOAV No. 2247 and the 21 day notice requirement contained in NRS 241.033 that would need to be waived in order for the Commission to consider the appropriate fine at its October 5 meeting. I understand that your company has agreed to waive the 21 days notice.

You had previously been notified by letter on September 2, 2010 that the Commission meeting is scheduled for October 5, 2010 beginning at 10 a.m. and that your company is on the agenda. Rather than a settlement agreement, the Commission will consider the appropriate fine to be assessed. The meeting will be held as a video conference in Carson City and Las Vegas at the following addresses:

Carson City: Bryan Building, 901 S. Stewart St., 2nd Floor Tahoe Room Las Vegas: NDEP, 2030 E. Flamingo Rd., Suite 230, Red Rock Conf. Room

In NOAV No. 2247, the Nevada Division of Environmental Protection (NDEP) found that Cind-R-Lite Cinder Cone Mine had failed to comply with permitted emission limits on May 11, 2010 during an unscheduled inspection, which is a major violation per NAC 445B.275(1)(c) and NAC 445B.281. In its letter accompanying the NOAV, NDEP stated that it assessed penalties for major air quality violations for the Commission and that it proposed a penalty of \$3,600.

At the October 5, 2010 meeting, the Commission will determine the appropriate penalty for the violation contained in NOAV No. 2247. Pursuant to NRS 445B.640(1), the Commission may levy an administrative fine of not more than \$10,000 per day per violation. Staff from NDEP will provide the Commission with a brief overview of the NOAV and its recommendation for an administrative fine. The Commission will then invite Cind-R-Lite Cinder Cone Mine and members of the public to make comments, followed by the Commission's deliberations. While the Commission does not have to follow NDEP's recommendation, it is important to note that NDEP acts as the Commission's agent in negotiating penalties, which is accomplished through use of a penalty matrix that was previously approved by the Commission.

Your presence is not required at the October 5, 2010 meeting, although you may wish to attend. The Commission may, without further notice, take administrative action against Cind-R-Lite Cinder Cone Mine, if the Commission determines that such administrative action is warranted after it considers NOAV No. 2247.

If you have any questions regarding this notice, please contact me at (775) 687-9310.

Sincerely,

John B. Walker Executive Secretary

JW:kr

enc.

Certified Mail #7007 0220 0003 5226 0293

ec: Colleen Cripps, NDEP
Michael Elges, NDEP
Francisco Vega, NDEP
Kathy Rebert, SEC
Rose Marie Reynolds, SEC/DAG