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COUNSEL
Jennifer Chisel

STAFF Valerie King Executive Secretary

Misti Gower Recording Secretary

STATE OF NEVADA STATE ENVIRONMENTAL COMMISSION

901 South Stewart Street, Suite 4001 Carson City, Nevada 89701-5249 Telephone (775) 687-9374 Fax (775) 687-5856 www.sec.nv.gov

August 31, 2015



Leo Drozdoff, P.E.

Joel Murphy
VP and General Manager
Florida Canyon Mining, Inc.
PO Box 330
Imlay, Nevada 89418

RE: Notice of Alleged Air Quality Violation and Order No. 2554 Class II Air Quality Operating Permit AP1041-0106.03 (FIN A0386)

Dear Mr. Murphy:

On May 11, 2015, the Nevada Division of Environmental Protection (NDEP) held an enforcement conference with Florida Canyon Mining, Inc. (Florida Canyon) to discuss supporting information regarding the draft Notice of Alleged Violation and Order (NOAV) No. 2554. As a result of that meeting, NDEP formally issued the above NOAV. See attached.

NDEP sent NOAV No. 2554 via certified mail on June 12, 2015, notifying Florida Canyon of its appeal rights pursuant to NRS 445B.340 and NRS 445B.360. Florida Canyon did not appeal the NOAV. Therefore, the State Environmental Commission (SEC) will determine the appropriate penalty for the violations contained in the above referenced NOAV on Wednesday, October 14, 2015 at 9:00 a.m. at the Nevada Legislative Building located at 401 South Carson Street, Room 2135.

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 October 14 meeting, NDEP will provide the SEC with a brief overview of the NOAV and its recommendation for an administrative penalty of \$2,585.00. 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 Florida Canyon.

The SEC may, without further notice, take administrative action against Florida Canyon if the SEC determines that such administrative action is warranted after it considers NOAV Nos. 2516 through 2521.

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

Sincerely,

Valerie King, CPM Executive Secretary

Certified Mail # 9171 9690 0935 0012 2753 63

ec: Dave Emme, Administrator
Jeffrey Kinder, Chief, BAPC
Travis Osterhout, Supervisor, BAPC
Jennifer Chisel, SEC/DAG