



Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

August 7, 2006

Mr. Roy Aune
Plant Manager
American Colloid Company
P.O. Box 428
Lovell, WY 82431

Re: Notice of Violation

Dear Mr. Aune:

Enclosed you will find a Notice of Violation (NOV) issued to American Colloid Company by the Department of Environmental Quality, Air Quality Division for the failure to obtain a permit for the Rolltex screen discharge point and modification to the DC-13 baghouse without first obtaining a permit in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations, the failure to maintain on-site and have available for review records of unit operating hours as required by condition F13(b) of permit 3-1-133, and operation of the Megatex Feed Elevator transfer point between the Megatex Hopper Belt and Elevator Belt without effectively controlling fugitive emissions in violation of condition P60-0003 of permit 3-1-133. These violations were observed during the July 11, 2006 inspection of the facility.

As the Department and this Division consider the failure to comply with air quality regulatory and permit conditions to be a serious matter, I am recommending the Department refer this violation to the State Attorney General's office requesting a suit be filed in District Court to recover appropriate penalties. If you would like to discuss settlement of this issue prior to action on the referral by the Attorney General's office, please contact Mr. Robert Gill, Air Quality Compliance Program Manager, at 307-777-3774 no later than ten (10) days after receipt of this letter.

Should you have any questions or comments regarding the Notice of Violation, please feel free to contact me or Mr. Robert Gill.

Sincerely,

David A. Finley
Administrator
Air Quality Division

cc: Nancy Vehr
Robert Gill
Greg Meeker
Bernie Dailey
Keith Guille

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7758 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
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NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found American Colloid Company (American Colloid) to be in violation of W.S. 35-11-801 of the Wyoming Environmental Quality Act, Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations, permit 3-1-133 in the operation of the bentonite clay facility located in Big Horn County, Wyoming.

2. W.S. 35-11-801(c) of the Wyoming Environmental Quality Act states, "A permit to construct is required before the construction or modification of any industrial facility capable of causing or increasing air or water pollution in excess of standards established by the department is commenced."

3. Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations prescribes the applicability and procedures for issuing permits to sources under Wyoming's construction and modification permitting program.

4. Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations states, "Any person who plans to construct any new facility or source, modify any existing facility or source, or to engage in the use of which may cause the issuance of or an increase in the issuance of air contaminants into the air of this state shall obtain a construction permit from the State of Wyoming, Department of Environmental Quality, before any actual work is begun on the facility."

5. During the FY2005 annual inspection, an unpermitted emission source was observed from the Rolltex Bunker located adjacent to the 270 ton Granular Storage Tanks. This source is used to collect fines from the Rolltex screen. The fines are collected and discharged into an open concrete bunker. During the July 11, 2006 inspection, Mr. David Reid, Air Quality Division Inspector, noted that the emission source had not been permitted yet and that the discharge tube from the screen was enclosed and routed to baghouse DC-13. The unpermitted emission source from the Rolltex screen and modification to the DC-13 baghouse without first obtaining a permit to construct is a violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations.

6. Operating permit 3-1-133 was issued to American Colloid on February 16, 2006. Condition F10 of permit 3-1-133 requires American Colloid to monitor operating hours from a number of units with operating hour limitations and to determine the number of hours each unit operated during the month. Condition F13(b) requires American Colloid to retain the operating hours records on-site at the facility for a period of at least five years from the date of the record.

7. During the July 11, 2006 inspection, records of unit operating hours were not available for review as required by condition F13(b) of permit 3-1-133.

8. Condition P60-0003 of permit 3-1-133 states: "At all times, including periods of startup, shutdown, and malfunction, the permittee shall, to the extent practicable, maintain and operate the sources listed in condition P60-0001(a) of this permit including associated air pollution control equipment, in a manner consistent with good air pollution control practice for minimizing emissions." Among the sources listed in condition P60-0001(a) is the Megatex Feed Elevator and BV-08 baghouse.

9. During the July 11, 2006 inspection, Mr. David Reid noted heavy fugitive emissions from the Megatex Feed Elevator transfer point between the Megatex Hopper Belt and Elevator Belt. No emissions were noted from the Megatex Elevator Baghouse (BV-08) but a high baghouse pressure differential was noted. Operation of the Megatex Feed Elevator transfer point between the Megatex Hopper Belt and Elevator Belt without effectively controlling fugitive emissions is a violation of condition P60-0003 of permit 3-1-133 which requires emission sources, including associated air pollution control equipment, to be operated in a manner consistent with good air pollution control practice for minimizing emissions.

10. Said violations consists of: 1) the failure to obtain a permit for the Rolltex screen discharge point and modification to the DC-13 baghouse without first obtaining a permit in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations, 2) the failure to maintain on-site and have available for review records of unit operating hours as required by condition F13(b) of permit 3-1-133, and 3) operation of the Megatex Feed Elevator transfer point between the Megatex Hopper Belt and Elevator Belt without effectively controlling fugitive emissions in violation of condition P60-0003 of permit 3-1-133.

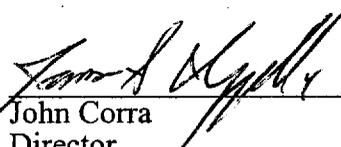
11. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental Quality Act] ... is subject to a penalty not to exceed ten thousand dollars (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

12. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of the failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

DATED this 29 day of August, 2006.



David A. Finley
Administrator
Air Quality Division



John Corra
Director
Department of Environmental Quality

Please direct all inquiries to David Finley, Administrator, Division of Air Quality, Department of Environmental Quality, Herschler Building, 4th Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393.)