



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 10, 2006

Mr. Terry Alldredge
General Manager
JTL Group Inc.
P.O. Box 730
Casper, WY 82602-0730

RE: Notice of Violation

Dear Mr. Alldredge:

Enclosed you will find a Notice of Violation (NOV) issued to the JTL Group Inc. by the Department of Environmental Quality, Air Quality Division, for the failure to obtain an air quality permit prior to constructing and operating the TelSmith Incline Screen, the JCI Horizontal Screen, the Hewitt Robins Horizontal Screen and the Svedala Cone Crusher at the Casper Pit in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations and the failure to submit the required relocate permits for the remaining equipment at the Casper Pit in violation of Chapter 6, Section 2(b)(ii) of the Wyoming Air Quality Standards and Regulations. These violations were determined based on the 2005 inspection of the facility and a review of the information JTL Group Inc. provided in April 2006 and May 2006.

As the Department and this Division consider the failure to comply with air quality permitting and regulatory requirements to be a serious matter, I am considering 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 Notice of Violation prior to referral to 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 this matter, please feel free to contact me or Mr. Robert Gill.

Sincerely,

David A. Finley
Administrator
Air Quality Division

cc: Robert Gill
Chris Hanify
Nancy Vehr
Keith Guille



NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found JTL Group Inc. (JTL) to be 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 in the operation of the Casper Pit located in Natrona County, Wyoming.

2. W.S. 35-11-801(c) 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. Chapter 6, Section 2(b)(ii) of the Wyoming Air Quality Standards and Regulations identifies the requirements which apply to portable sources operating at relocated sites within the state under the self issuance relocate permit program. Chapter 6, Section 2(b)(ii) states in part: "... The owner or operator shall, at a minimum provide, as appropriate the permit number previously issued to the portable source or facility, the new location, the production rate at the new location and the production at the new location in addition to any other information that the Administrator may require. Such permit shall be executed and a copy provided to the Air Quality Division prior to operation at the new location."

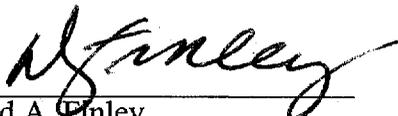
6. Mr. Chris Hanify, Air Quality Division Inspector, conducted an inspection of JTL's operations at the Casper Pit on September 26, 2005. As a result of the inspection and previous inspections of the pit, Mr. Chris Hanify identified potential problems with permitting of equipment located at the pit. Mr. Hanify requested an annual emission inventory for the operations at the pit and a review of the permitting status for the equipment at the pit. JTL provided the emission inventory in April 2006 and a response to the permitting issues in May 2006. Based on the Air Quality Division's review of the information provided by JTL and a review of the available file information, the Air Quality Division has determined that the Telsmith Incline Screen, the JCI Horizontal Screen, the Hewitt Robins Horizontal Screen and the Svedala Cone Crusher which were observed at the pit during the 2005 inspection did not have the required air quality permits in accordance with W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations. The remaining equipment located at the pit during the 2005 inspection may have the appropriate initial construction permits but did not have the required relocate permits in accordance with Chapter 6, Section 2(b)(ii) of the Wyoming Air Quality Standards and Regulations.

7. Said violations consist of the failure to obtain an air quality permit prior to constructing and operating the Telsmith Incline Screen, the JCI Horizontal Screen, the Hewitt Robins Horizontal Screen and the Svedala Cone Crusher at the Casper Pit in violation of W.S. 35-11-801(c) of the Wyoming Environmental Quality Act and Chapter 6, Section 2(a)(i) of the Wyoming Air Quality Standards and Regulations and the failure to submit the required relocate permits for the remaining equipment at the Casper Pit in violation of Chapter 6, Section 2(b)(ii) of the Wyoming Air Quality Standards and Regulations.

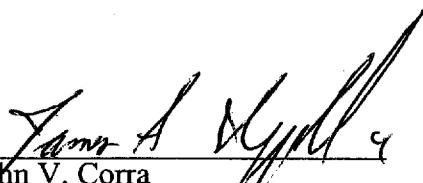
8. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental 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.

9. 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 28 day of August, 2006.



David A. Finley
Administrator
Air Quality Division



John V. 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.)