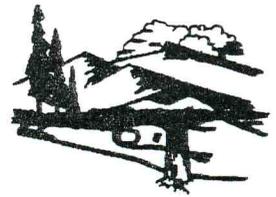




Department of Environmental Quality



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

May 24, 2007

Mr. James M. Frost
President
Frost Construction Company
P.O. BOX 457
Lovell, WY 82431

RE: Notice of Violation

Dear Mr. Frost:

Enclosed you will find a Notice of Violation (NOV) issued to Frost Construction Company by the Department of Environmental Quality, Air Quality Division, for visible emissions in excess of the 20% opacity limit from the screening operation at the Little Dry Creek Pit, located in Bighorn County, Wyoming. This violation of W.S. 35-11-201 of the Wyoming Environmental Quality Act and Chapter 3, Section 2 of the Wyoming Air Quality Standards and Regulations (WAQSR) was observed by Mr. Greg Meeker on April 18, 2007.

As the Department and this Division consider the failure to comply with WAQSR visible emission standards 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
Greg Meeker
Nancy Vehr
Keith Guille



**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO FROST CONSTRUCTION COMPANY,) **DOCKET NO. 4086-07**
MR. FROST, PRESIDENT/CEO,)
P.O. BOX 457, LOVELL, WY 82431)

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Frost Construction Company to be in violation of W.S. 35-11-201 of the Wyoming Environmental Quality Act and Chapter 3, Section 2 of the Wyoming Air Quality Standards and Regulations in the operation of the crushing and screening equipment located at Little Dry Creek Pit in Bighorn County, Wyoming.

2. W.S. 35-11-201 of the Wyoming Environmental Quality Act states, "No person shall cause, threaten or allow the discharge or emission of any air contaminant in any form so as to cause pollution which violates rules, regulations and standards adopted by the council."

3. Chapter 3, Section 2(a) of the Wyoming Air Quality Standards and Regulations limits the opacity of visible emissions from any new source to 20%.

4. On April 18, 2007, Mr. Greg Meeker, Air Quality Division Engineer, visited the Frost Construction Company crushing and screening equipment operating at the Little Dry Creek Pit located approximately five miles northwest of Greybull in Big Horn County, Wyoming. Mr. Meeker conducted a Method 9 opacity observation on the screening system with a resultant opacity of 64%.

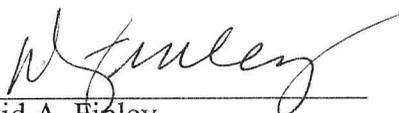
5. Said violations consist of visible emissions from the screening system in excess of that allowed by Chapter 3, Section 2(a) of the Wyoming Air Quality Standards and Regulations for the operations at the Little Dry Creek Pit in Bighorn County, Wyoming.

6. 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.

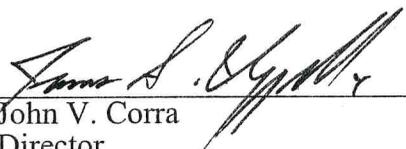
7. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of the failure to correct or remedy an alleged violation, the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

Frost Construction Company
Notice of Violation
Page Two

DATED this 5th day of June, 2007.



David A. Finley
Administrator
Air Quality Division



John V. Corra
Director
Department of Environmental Quality

Please direct all inquiries to David A. Finley, Administrator, Division of Air Quality, Department of Environmental Quality, Herschler Building, 2nd Floor, 122 W. 25th Street, Cheyenne, Wyoming 82002. (Telephone: 307/777-7393.)