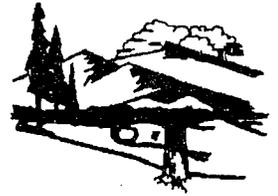




# Department of Environmental Quality



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

December 4, 2007

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: 1) exceeding permitted PM limits for the DC-02 baghouse, 2) the failure to submit DC-02 performance test results to the Division within 30 days of completion and 3) the failure to submit performance test results within 30 days following completion for DC-12.

As the Department and this Division consider the failure to comply with air quality regulatory requirements 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 Ms. Karen Godman, Air Quality Compliance Program Principal, at 307-777-8601 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 Ms. Karen Godman.

Sincerely,

David A. Finley  
Administrator  
Air Quality Division

cc: Nancy Vehr  
Robert Gill  
Greg Meeker  
Keith Guille



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

**IN THE MATTER OF THE NOTICE OF VIOLATION** )  
**ISSUED TO AMERICAN COLLOID COMPANY,** ) **DOCKET NO.**  
**MR. ROY AUNE, PLANT MANAGER,** ) **4187-07**  
**P.O. BOX 428, LOVELL, WY 82431** )

**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 various permits/waivers issued in accordance with W.S. 35-11-801 of the Wyoming Environmental Quality Act and Chapter 6, Section 2 of the Wyoming Air Quality Standards and Regulations in the operation of the bentonite clay facility located in Big Horn County, Wyoming.

2. W.S. 35-11-801 of the Wyoming Environmental Quality Act states, "In granting permits, the director may impose such conditions as may be necessary to accomplish the purpose of this act which are not inconsistent with the existing rules, regulations and standards."

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. Permit MD-1516 Corrected was issued to American Colloid Company on February 21, 2007. Condition 10 of this permit limits emissions from the rotary baghouse (DC-02) for Particulate Matter (PM) to 3.8 lb/hr.

5. American Colloid Company had the required testing of the rotary dryer baghouse conducted on April 12, 2007. The test results showed particulate matter was being emitted at 201.8% of the permitted limits. During the annual inspection, American Colloid Company was unable to produce any documentation detailing corrective action for this situation. In correspondence dated August 9, 2007, American Colloid Company indicated that the source would be retested once the baghouse had been repaired or replaced to address the PM issue. A retest of the rotary dryer baghouse (DC-02) was completed on October 23, 2007.

6. Said violation consists of exceeding permitted PM limits for DC-02 as required by condition 10 of permit MD-1516 Corrected.

7. Permit MD-1516 Corrected was issued to American Colloid Company on February 21, 2007. Condition 8 of this permit required that performance testing results shall be submitted to this Division within 30 days of completion.

8. The August 14, 2007 inspection and review of records showed that none of the seventeen test reports were submitted within this timeframe. These test reports were submitted approximately 2-4 months late.

9. Said violation consists of the failure to submit performance test results to the Division within 30 days of completing the test as required by condition 8 of permit MD-1516 Corrected.

10. Permit waiver AP-3984 was issued to American Colloid Company on November 14, 2005. Condition 2 of this waiver requires that the operator shall provide 15 days prior notice of the test date and a written report of the results for the DC-12 baghouse test shall be submitted to the Division within 30 days of completing the tests.

11. On October 16, 2006 the Lander field office was notified by phone that the testing of DC-12 was to take place the next day. Testing was then rescheduled and conducted on October 25, 2006. The report was received in the Lander field office on January 9, 2007, 76 days after the completion of the test.

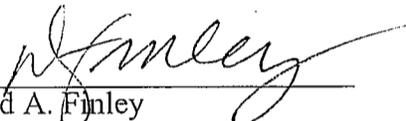
12. Said violation consists of the failure to submit performance test results within 30 days following completion for DC-12 as required by condition 2 of permit waiver AP-3984.

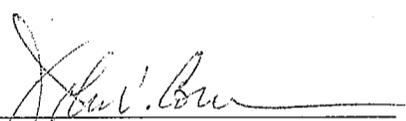
13. Said violations consist of: 1) exceeding permitted PM limits for the DC-02 baghouse, 2) the failure to submit the DC-02 performance test results to the Division within 30 days of completion and 3) the failure to submit performance test results within 30 days following completion for DC-12.

14. 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.

15. 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 7 day of Dec, 2007.

  
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David A. Finley  
Administrator  
Air Quality Division

  
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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.)