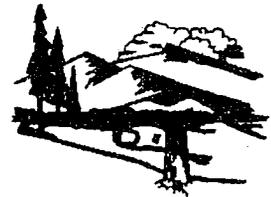




Department of Environmental Quality



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

July 23, 2009

Mr. Norm Hargis,
Manager of Environmental Affairs
Bridger Coal Company
P.O. Box 68
Point of Rocks, WY 82942

RE: Notice of Violation

Dear Mr. Hargis,

Enclosed you will find a Notice of Violation (NOV) issued to Bridger Coal Company by the Department of Environmental Quality, Air Quality Division, for failing to control fugitive dust as required by W.S. 35-11-201 of the Wyoming Environmental Quality Act, Chapter 3, Section 2(f) of the Wyoming Air Quality Standards and Regulations and various permits issued to Bridger Coal Company in the operation of the Bridger Coal Mine. Based on high PM₁₀ measurement at the monitoring site associated with the Bridger Coal Mine, the Air Quality Division has determined that Bridger Coal Company has failed to take appropriate measures to control fugitive dust emissions from the mining operations.

As the Department and this Division consider the failure to comply with regulatory and permit 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 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 this matter, please feel free to contact me or Ms. Karen Godman.

Sincerely,

David A. Binley
Administrator
Air Quality Division

cc: Robert Gill
Nancy Vehr
Keith Guille
Tony Hoyt
Cara Keslar



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

**IN THE MATTER OF THE NOTICE OF
VIOLATION ISSUED TO BRIDGER COAL COMPANY,
MR. NORM HARGIS,
MANAGER OF ENVIRONMENTAL AFFAIRS
P.O. BOX 68
POINT OF ROCKS, WY 82942**

) DOCKET NO. 4528-09
)
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)
)

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found Bridger Coal Company (Bridger) to be in violation of W.S. 35-11-201 of the Wyoming Environmental Quality Act, Chapter 3, Section 2(f) of the Wyoming Air Quality Standards and Regulations, and various permits issued to Bridger Coal Company in the operation of the Bridger Coal Mine located in Sweetwater 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(f)(i)(A) of the Wyoming Air Quality Standards and Regulations states, "Any person engaged in clearing or leveling of land, earthmoving, excavation, or movement of trucks or construction equipment over access haul roads or cleared land shall take steps to minimize fugitive dust from such activities. Such control measures may include frequent watering and/or chemical stabilization." Chapter 3, Section 2(f)(ii)(A) of the Wyoming Air Quality Standards and Regulations states, "Any person owning, operating or maintaining a new or existing material storage, handling and/or hauling operation shall minimize fugitive dust from such operations. Such control measures may include the application of asphalt, oil, water or suitable chemicals on unpaved roads, material stockpiles and other surfaces which can give rise to airborne dust...."

4. Various permits issued to Bridger Coal Company for the Bridger Coal Mine require Bridger to implement fugitive dust control measures and to install and operate an ambient particulate monitoring network.

5. During a recent review of Bridger Coal Company's ambient particulate monitoring data for the JB 04 Monitor monitoring site associated with the Bridger Coal Mine, the Air Quality Division determined that there was an exceedance of the 24-hour PM₁₀ standard at this site on April 20, 2008. The final PM₁₀ 24-hour concentration for April 20, 2008 was measured at 176.1 µg/m³, exceeding the PM₁₀ 24-hour average concentration limit of 150 µg/m³. Based on a review of this monitoring data, the Air Quality Division has determined that Bridger Coal Company has failed to take appropriate measures to control fugitive dust emissions from the excavation, stockpiling, material handling and material hauling operations at the Bridger Coal Mine as required by Chapter 3, Section 2 of the Wyoming Air Quality Standards and Regulations and the various permits issued to Bridger Coal Company.

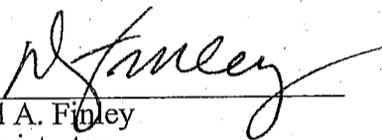
6. Said violations consist of the failure to minimize fugitive dust emissions from the Bridger Coal Mine operations in violation of W.S. 35-11-201 of the Wyoming Environmental Quality Act, Chapter 3, Section 2(f) of the Wyoming Air Quality Standards and Regulations, and the various permits issued to Bridger Coal Company.

7. 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

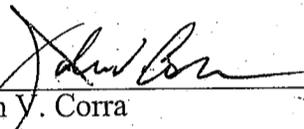
Environmental Quality Act] ... is subject to a penalty not to exceed ten thousand dollars (\$10,000.00) for each violation for each day during which the violation continues, a temporary or permanent injunction, or both a penalty and an injunction.

8. 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 July, 2009.



David A. Finley
Administrator
Air Quality Division



John Y. 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.)