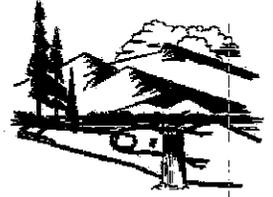




Department of Environmental Quality

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



Matthew H. Mead, Governor

John Corra, Director

April 19, 2012

Mr. Pete Bentley
SGL Carbon Fibers, LLC
1375 Union Road
Evanston, WY 82930

Re: Notice of Violation

Dear Mr. Bentley:

Enclosed you will find a Notice of Violation (NOV) issued to SGL Carbon Fibers, LLC by the Department of Environmental Quality, Air Quality Division, for the Evanston Plant located in Uinta County, Wyoming. The violation consists of failing to: 1) meet HCN emission limits from the Line 1 RTO and 2) submit test results within 45 days as required in MD-7421A. These are violations of conditions 10 and 27 of permit MD-7421A.

As the Department and this Division consider the failure to comply with air quality 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 Notice of Violation prior to action on the 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,

Steven A. Dietrich
Administrator
Air Quality Division

cc: Bob Gill
Tony Hoyt
Nancy Vehr
Keith Guille



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

**IN THE MATTER OF THE NOTICE OF VIOLATION)
ISSUED TO SGL CARBON FIBERS, LLC)
MR. PETE BENTLEY, EHSA/TRAINING MANAGER)
1375 UNION ROAD,)
EVANSTON, WY 82930)**

DOCKET NO. 4987-12

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. The Department of Environmental Quality, Division of Air Quality, has found SGL Carbon Fibers, LLC (SGL) to be in violation of MD-7421A 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 Evanston Plant located in Uinta County, Wyoming.

2. W.S. 35-11-801(a) 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-7421A was issued to SGL Carbon Fibers, LLC on February 3, 2011. Permit MD-7421A was issued to revise the engine configuration at the Evanston Plant

5. Condition 27 of permit MD-7421A establishes emission limits for Hydrogen Cyanide (HCN) from the Line 1 Re-Therm RL(Line 1 RTO) to 0.3 lb/hr and 1.4 TPY.

6. Stack testing conducted June 30, 2011 for the Line 1 RTO showed a result of 0.466 lb/hr for HCN emissions (155% of the 0.3 lb/hr limit). SGL opted not to retest the RTO because Line 1 is currently not in operation and SGL is unsure if they would continue to operate Line 1. Failure to meet emission limits for HCN constitutes a violation of condition 27 of permit MD-7421A.

7. Condition 10 of permit MD-7421A requires that a written report of the results be submitted to the Division within forty-five (45) days of completion.

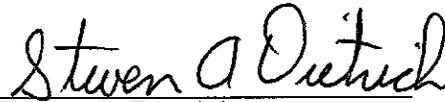
8. Testing was conducted on June 30, 2011 and the Division received testing results on January 20, 2012, approximately 204 days after testing

9. Said violation consists of failing to: 1) meet HCN emission limits from the Line 1 RTO and 2) submit test results within 45 days as required in MD-7421A. These are violations of conditions 10 and 27 of permit MD-7421A.

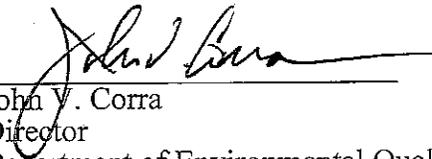
10. Under W.S. 35-11-901(a), any person who violates any provision of Article 2 of [the Environmental Quality Act] ... or any rule, regulation, standard or permit adopted pursuant to those provisions, or who violates any determination or order of the council pursuant to Article 2 of [the Environmental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

11. This notice is being sent to you pursuant to W.S. 35-11-701(c), which requires that, in any case of 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 19th day of APRIL, 2012.



Steven A. Dietrich
Administrator
Air Quality Division



John V. Corra
Director
Department of Environmental Quality

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