

DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

NOTICE OF VIOLATION

IN THE MATTER OF THE NOTICE OF)
VIOLATION ISSUED TO)
New Mexico Resources, LLC.) DOCKET NO. 4135-07
5460 Ward Rd., Ste 100)
Arvada, Colorado 80002)
RE: Small Mine Permit 566(s))

NOTICE

NOTICE IS HEREBY GIVEN THAT:

1. Notice of Violation is being sent to you pursuant to W.S. §35-11-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.

2. On August 6, 2007 the Annual Inspection of the Small Mine Permit 566(s) was conducted by Melissa L. Bautz and Brian R. Wood of the Wyoming Department of Environmental Quality - Land Quality Division, District II office. That inspection was summarized in a report dated August 17, 2007. The operation is located in S 1/2 SE 1/4 of Section 1, T.16N, R.98W and the N 1/2 NE 1/4 of Section 12, T.16N, R.98W in Sweetwater County, approximately two and one-third miles south-southeast of the Fort La Clede ruins.

3. The August 2007 Inspection revealed that topsoil and subsoil were inadequately salvaged, topsoil had been contaminated by the placement of spoil (reject) and mineral product, and topsoil stockpiles remain unprotected from wind and water erosion and are unsigned. These activities are in violation of W.S. §35-11-406(b)(viii) and W.S. §35-11-415(b)(iii).

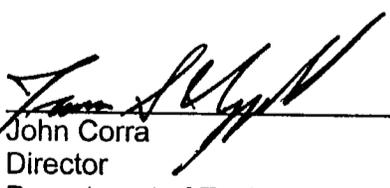
4. The August 2007 Inspection noted absence of adequate sediment control for the mine site and sedimentation impacts to a native reach of an unnamed ephemeral drainage. The approved permit does provide a sediment control plan, but it was obvious that the plan had not been implemented. These issues are in violation of W.S. §35-11-415(b)(viii), W.S. §35-11-415(b)(ii) and, W.S. §35-11-406(b)(xiv).

5. The August 2007 Inspection noted that an entrance / permit sign was not posted, which is a violation of W.S. §35-11-415(b)(i).

6. The August 2007 Inspection survey, using a map-grade GPS unit established that the permittee's extent of disturbed area has exceeded the limits of the approved Mine Plan, which is a violation of W.S. §35-11-406(b).

7. W.S. § 35-11-901(a) provides that any person who violates any provision of the Environmental Quality Act or any rule, standard, permit, license or variance adopted there under is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

DATED THIS 28th day of August, 2007.


John Corra
Director
Department of Environmental Quality


Richard A. Chancellor
Administrator
Land Quality Division

PLEASE DIRECT ALL INQUIRIES regarding this Notice of Violation to Mark Moxley, Land Quality District 2 Supervisor, 510 Meadowview Dr., Lander, Wyoming 82520, telephone (307) 332-3047.