DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

NOTICE OF VIOLATION

IN THE MATTER OF THE NOTICE OF VIOLATION ISSUED TO POWER RESOURCES, INC.
P.O. BOX 1219
GLENROCK, WY 82637

DOCKET NO. 4164-07

Re: Insitu Uranium Operation, Permit 633

NOTICE

NOTICE IS HEREBY GIVEN THAT:

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

2. On August 24, 2007 Power Resources, Inc. reported a spill originating from a buried pipeline supplying disposal solutions to the UIC deep disposal well (WQ permit). The spill volume was estimated to be 11,600 gallons with 7,500 gallons coming to the surface.

3. This is in violation of the LQD Non-Coal Rules and Regulations, Chapter 11, Section 9(a)(iv) which requires the operator to "properly operate and maintain all facilities and systems of treatment and control which are installed or used by the operator to achieve compliance with the terms and conditions of the permit", and W.S. §35-11-415(b)(ii), which requires the operator to conduct all mining activities in conformity with the approved plan.

4. Surface and subsurface discharge of pollutants is a violation of W.S. §35-11-415(b)(viii), which requires the operator to prevent pollution of surface and subsurface waters during the mining and reclamation operation.

5. Affecting native topsoil by the deposition of disposal fluids onto native topsoil is a violation of the Noncoal Rules and Regulations, Chapter 3 Section 2(c)(i).

6. PRI is in violation of Water Quality Rules and Regulations, Chapter 4 Section (b) which states "Cleanup of oil or hazardous substance release shall proceed in a timely and diligent manner. Satisfactory cleanup of an oil or hazardous substance release will be achieved when one, or both of the following cleanup criteria have been met:

   (ii) Hazardous substances shall not be present in, or threaten, water of the state in concentrations or combinations which, as determined by the Administrator, would damage or impair the normal growth, function, or reproduction of human, animal, plant, or aquatic life, or impair the beneficial use of any waters of the state."

7. Wyoming Statute §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 hereunder 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.

NOTHING IN THIS NOTICE shall be interpreted to in any way, limit or contravene any other remedy available under the Environmental Quality Act, nor shall this Order be interpreted as being a condition precedent to any other enforcement action.

SIGNED this 28th day of November, 2007

John V. Corra
Director
Department of Environmental Quality

Richard A. Chancellor
Administrator
Land Quality Division

John F. Wagner
Administrator
Water Quality Division

Please direct all inquiries regarding this Notice of Violation and Order to Mr. Lowell Spackman, Wyoming Department of Environmental Quality, Land Quality Division, Cheyenne Office, 122 West 25th Street, Cheyenne, WY 82002 Telephone No. (307) 777-7052.

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED 7005 1820 0005 1478 8552
DOCKET NO. 4164-07

Cc: Lowell Spackman, District I
Carol Bilbrough, LQD Cheyenne
Kevin Frederick, WQD Cheyenne
Paul Michalak, NRC