

DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING

NOTICE OF VIOLATION

IN THE MATTER OF THE NOTICE OF)
VIOLATION ISSUED TO)
PINNACLE GAS RESOURCES, INC)
ATTN: MR. BRIAN DEURLOO)
1 EAST ALGER)
SHERIDAN, WY 82801)

DOCKET NO. 4284-08

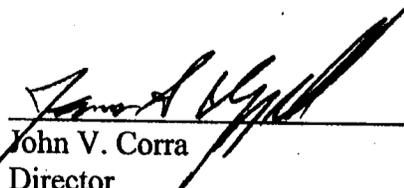
NOTICE

NOTICE IS HEREBY GIVEN THAT:

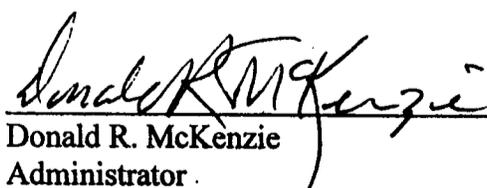
1. Notice of Violation is being sent to you pursuant to W.S. §35-11-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.
2. On May 21, 2008, an inspection of an unauthorized scoria mining operation was conducted by Kurt King of the Land Quality Division's District III office. The mining operation was located in the SW1/4 of Section 27, T.58N., R.76W., on private lands in Campbell County, Wyoming.
3. The inspection revealed that the unauthorized pit was being operated by Pinnacle Gas Resources, Inc. The operation was surveyed with Global Positioning System equipment and found to affect 2.5 acres, not including the access road.
4. Failure of Pinnacle Gas Resources, Inc. to notify the Land Quality Division of the location of the land to be mined and to provide written permission from the landowner before commencing operations is a violation of W.S. §35-11-401(vi).
5. Failure of Pinnacle Gas Resources, Inc. to post a bond to ensure reclamation before commencing mining operations is a violation of W.S. §35-11-401(vii).
6. 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 thereunder 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 of Violation (NOV) shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

SIGNED this 5th day of June, 2008



John V. Corra
Director
Department of Environmental Quality



Donald R. McKenzie
Administrator
Land Quality Division

Please direct all inquiries regarding this Notice of Violation to Mr. Mark Rogaczewski, District III Supervisor, Land Quality Division, 1866 South Sheridan Avenue, Sheridan, WY 82801

xc: Mark Rogaczewski, Sheridan LQD