

**DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

NOTICE OF VIOLATION

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|---|---|---------------------------|
| IN THE MATTER OF THE NOTICE OF |) | |
| VIOLATION ISSUED TO |) | |
| CROSS H RANCH, INC. |) | DOCKET NO. 4734-10 |
| ATTN: WAYNE NELSON |) | |
| 130 CROSS H ROAD |) | |
| BUFFALO, WYOMING 82834 |) | |
| PERMIT NO. 697(S) – SMALL MINE OPERATION |) | |

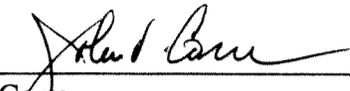
NOTICE

NOTICE IS HEREBY GIVEN THAT:

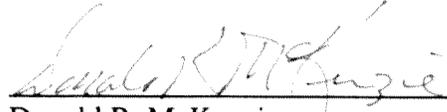
1. Notice of Violation (NOV) is being sent to you pursuant to Wyoming Statute §35-11-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.
2. The Wyoming State Environmental Quality Act (Act) statute W.S. § 35-11-405(a) states that no mining operation may be commenced or conducted on land for which there is not in effect a valid mining permit to which the operator possesses the rights.
3. On August 25, 2010, Mr. David Schellinger performed an inspection of the Permit No. 697(s) mine site to investigate an anonymous complaint received earlier that day that operations at Permit 697(s) were being performed by someone other than the current permit holder, Rock Services, Inc. During his inspection, Mr. Schellinger verified Cross H. Ranch, Inc., the landowner, had given permission to CCC Services, LLC to perform mining activities at the Permit No. 697(s) mine site. Mr. Wayne Nelson of Cross H. Ranch, Inc., informed Mr. Schellinger that CCC Services, LLC had been operating at the pit since about July 30, 2010. Mr. Nelson stated he had received verbal approval from Mr. Randy Silbernagel of Rock Services, Inc., to mine under Permit No. 697(s), but was unable to produce written confirmation of this approval. Mr. Schellinger contacted Mr. Silbernagel of Rock Services, Inc., on August 31, 2010 at which time Mr. Silbernagel stated Cross H. Ranch, Inc., had not been granted permission to mine under Permit No. 697(s).
4. Wyoming Statute § 35-11-415(b)(ii) states the operator, pursuant to an approved surface mining permit and mining plan and reclamation plan, or any approved revision thereto, shall conduct all surface mining and reclamation activities within the permit area in conformity with his approved plan.
5. During the August 25, 2010 inspection of Permit No. 697(s), Mr. Schellinger observed two wash ponds located in the pit floor being filled with water from an aluminum line. The current approved mine plan for Permit No. 697(s) does not include washing of gravel as a processing method to be used at this pit.
6. 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 THE NOTICE 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 8 day of SEPT, 2010



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, Wyoming Department of Environmental Quality/Land Quality Division, 2100 West 5th Street Sheridan, WY, 82801

697(s), Small Mining Permit

cc: Mark Rogaczewski, LQD
File: Small Mine Permit 697(s)