STATE OF WYOMING
DEPARTMENT OF ENVIORNMENTAL QUALITY
LAND QUALITY DIVISION
HERSCHLER BUILDING, 122 W. 25TH ST
CHEYENNE, WY 82002
TELEPHONE: (307) 777-7756
COAL OPERATION
NOTICE OF VIOLATION (NOTICE)

N.O.V. No. # 100567

Permit No. **764-T1**
Docket No. **4884-11**

To the Following Permittee or Operator or Licensee:

Name: Peabody School Creek Mining, LLC

Mine: School Creek Mine County: Campbell Telephone: (307) 464-4780

Surface: **X**

Mailing Address: Caller Box 3035

Gillette, WY 82717-3035

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Date of Inspection: August 4, 2011

Time of Inspection: from 12:00 pm – 4:00pm

Name of Operator (if other than permittee): same

Mailing Address: same

Under the authority of the Wyoming Environmental Quality Act of 1973 (Act), as amended, the undersigned designated representative of the Director of the Wyoming Department of Environmental Quality (DEQ) has conducted an inspection of the above mine on the above date and has found violation(s) of the Act., the regulations or required permit condition(s) ***listed in the attachment(s)***. This Notice constitutes a separate Notice of Violation for each violation listed.

You must abate each of these violations within the designated abatement time. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned designated representative finds that cessation of mining _is not_expressly or in practical effect required by this Notice. For this purpose "mining" means extracting coal from the earth or a waste pile and transporting it within or from the permit area.

This Notice shall remain in effect until it expires as provided on the attached Page 2 is modified, terminated, or vacated by written notice of a designated representative or the Wyoming Environmental Quality Council. The time for abatement may be extended by a designated representative for up to 90 days from issuance of the notice, if the failure to meet the time previously set was not caused by lack of diligence on the part of the Permittee or Operator or Licensee.

DATE OF SERVICE: AUGUST 10, 2011

MANNER OF SERVICE: CERTIFIED MAIL

PROOF OF SERVICE: RETURN RECEIPT

PERSON SERVED WITH NOTICE: ADAM STEPHENS

Stacy Page
SIGNATURE OF DESIGNATED REPRESENTATIVE

STACY PAGE
PRINTED NAME

CC:CHEYENNE LQD
DISTRICT OFFICE
OSM – CASPER FIELD OFFICE

PERMIT NO. **764-T1**
DOCKET NO. **4884-11**
DATE OF SERVICE: **AUGUST 11, 2011**

IMPORTANT – PLEASE READ CAREFULLY

1. FORMAL REVIEW AND TEMPORARY RELIEF You must apply for review of this Notice by submitting an application for review, within 30 days of this Notice by you or your agent, to:

Mr. John V. Corra, Director
Department of Environmental Quality
Herschler Building
122 W.25th St.
Cheyenne, WY 82002

LQD RECEIVED AUG

If you apply for a formal public hearing, you may request temporary relief from this Notice. Your request must be filed at the above address prior to a decision in the hearing. The procedures for obtaining a formal public hearing or temporary relief are contained in W.S. § 35-11-437 (c) (ii) and (e), Land Quality Division (LQD) Coal Rules & Regulations (R&R) Chapter 16, Section 2(m) and DEQ Rules of Practice and Procedures Chapters 1 and 2.

2. EXPEDITED REVIEW If this Notice requires cessation of mining, expressly or in practical effect, as found on page 1, then the procedures of W.S. § 35-11-437 (d) apply. This provision affords an opportunity for an expedited hearing, upon request, if this Notice is affirmed by the director. Please review this finding and inform the designated representative if you agree with it.

3. PENALTIES You may submit information in writing pertaining to the violation(s) covered by this Notice within 15 days of the date it is served on you or your agent. This information will be considered in determining the facts surrounding the violation and the amount of penalty.

For each violation covered by this Notice, a penalty of up to $5,000.00 may be assessed for each day during which that violation continues.

If you fail to abate any of the violations within the time set for abatement or for meeting any interim step, you must be assessed a minimum penalty of $750.00 or more for each day during which the violation continues beyond the time set for abatement, and you must be issued a cessation order requiring you to cease surface coal mining operations on the portion relevant to the violation(s).

4. EFFECT ON THE PERMIT In addition, if it is determined that a pattern of violations of any requirement(s) of the Act, the regulations, or permit conditions exists, and that the violations were caused by unwarranted failure to comply or were willful, the permit may be suspended or revoked.

FOR FURTHER INFORMATION, PLEASE CONSULT: W.S. § 35-11-409(c), W.S. § 35-11-437, LQD Coal R&R Chapter 16, Sections 2 and 3 and DEQ Rules of Practice and Procedures Chapters 1 and 2.

PERMIT NO. **764-T1**
DOCKET NO. **4884-11**
DATE OF SERVICE: **AUGUST 11, 2011**

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Violation 1 of 1

Nature of the Violation

During the review of the School Creek Mine Annual Report three topsoil stockpiles that were not permitted were identified. During the August 9, 2011 inspection four unpermitted topsoil stockpiles were observed.

Six of the unpermitted topsoil stockpiles did not have approved sediment control.

Provision(s) of the LQD coal R&R, Act, or Permit Violated

W.S. § 35-11-406(b)(v) and Land Quality Division (LQD) Rules and Regulations Chapter 2, Section 6(b)(i).
and:
W.S. § 35-11-406(b)(v). and Land Quality Division (LQD) Rules and Regulations Chapter 2, Section 5(a)(i) and Chapter 2, Section 5(a)(i)(D)(I) and (IV).

Portion of the Operation to which Notice Applies

Sections 13 and 25, T.42N, R70W and Section 18 in T.42N.,R.69N.

Remedial Action Required (including interim steps, if any

1. A revision to the Permit 764-T1 Mine Plan is required to show all currently constructed, under construction and proposed topsoil stockpiles.

2. A revision to the Permit 764-T1 Mine Plan to show all drainage basins for the affected area of the School Creek Mine. A revision to the sediment control plan of the 764-T1 Mine Plan to permit the playas that are and will be used as sediment contro

Time for Abatement (including time for interim steps, if any)

The above revision must be submitted within fourteen days of Date of Service of Violation 100567, (Docket No. 4884-11).