

STATE OF WYOMING
DEPARTMENT OF ENVIRONMENTAL 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. 100570
Permit No. 237-T9
Docket No. 4999-12

To the Following Permittee or Operator or Licensee:

Name: Cordero Mining Company

Mine: Cordero-Rojo Mine County: Campbell Telephone: (307) 685-4544

Surface: X Underground: _____ Other:

Mailing Address: P.O. Box 1449

Gillette, WY 82717-1449

Date of Inspection: May 4, 2012

Time of Inspection: from 8:30 a.m. to 1:30 p.m.

Name of Operator (if other than permittee): same

Mailing Address: same

LQD

MAY 17 2012

RECEIVED

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 _____ 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 or 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: MAY 15, 2012

MANNER OF SERVICE: CERTIFIED MAIL

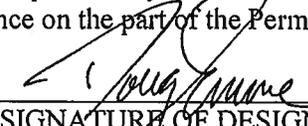
PROOF OF SERVICE: RETURN RECEIPT

PERSON SERVED WITH NOTICE: RENA KNEZOVICH

CC:CHEYENNE LQD

DISTRICT OFFICE

OSM - CASPER FIELD OFFICE


SIGNATURE OF DESIGNATED REPRESENTATIVE

DOUG EMME
PRINTED NAME

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

MAY 17 2012

RECEIVED

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.

Violation 2 of 2

Nature of the Violation

The cast shot on May 1, 2012 at approximately 11:13 AM consisting of 330 charged decks did not fire as it was timed and it caused 156 charged decks in an adjacent pattern to sympathetically detonate. The operator left 85 cast boosters and 52 electronic detonators near the north end of the 156 charged decks that sympathetically detonated and they were buried under fragmented rock from the unplanned detonation.

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

Land Quality Division (LQD) Rules and Regulations Chapter 6, Section 1.(a). The operator failed to comply with all Applicable State and Federal laws, specifically 30 CFR Part 77.1303 (ss).

Portion of the Operation to which Notice Applies

Blasting operations

LQD

MAY 17 2012

Remedial Action Required (including interim steps, if any)

RECEIVED

- 1) The blaster-in-charge on the shot, Marlyn G. King, Wyoming Blaster Certificate #WS 0320-12, and his assistant Larry E. Raga, Wyoming Blaster Certificate #WS 0267-11, are suspended under LQD Coal Rules and Regulations Chapter 6 Section 6.(h)(i)(C) effective on May 21, 2012. The suspensions are effective for a minimum of 60 days.
- 2) Cordero Mining Company will document training of mine personnel on company practices for the safe handling of explosives on the pattern.

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

- 1) Mr. King and Mr. Raga must complete a LQD approved 8 hour blasting safety class prior to requesting reinstatement of their Wyoming Blaster Certificates.
- 2) Mr. King and Mr. Raga must formally request reinstatement upon completion of the required training.
- 3) Mr. King and Mr. Raga will have to successfully pass the Wyoming Blaster Certification exam before their licenses can be reinstated.
- 4) Cordero Mining Company will submit the outline and roster for the safe blasting practices training to LQD as soon as it is completed.