

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. 100571
Permit No. 232-T7
Docket No. 5008-12

To the Following Permittee or Operator or Licensee:

Name: Wyodak Resources Development Corporation

Mine: Wyodak Mine County: Campbell Telephone: (307) 682-3410

Surface: Underground: _____ Other: _____

Mailing Address: 3338 Garner Lake Road

Gillette, WY 82716

Date of Inspection: N/A

Time of Inspection: N/A

Name of Operator (if other than permittee): same

Mailing Address: same

LQD

JUN 15 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.

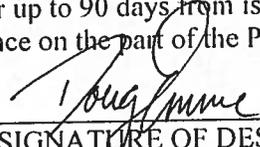
DATE OF SERVICE: JUNE 12, 2012

MANNER OF SERVICE: CERTIFIED MAIL

PROOF OF SERVICE: RETURN RECEIPT

PERSON SERVED WITH NOTICE: STEVAN MUELLER

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

JUN 15 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.

LQD

Violation 1 of 1

JUN 15 2012

Nature of the Violation

The coal barn shot on May 17, 2012 at approximately 2:50 PM consisting of 32, ¼ lb. cast boosters was an unconfined blast. The 32 total pounds in 14 separate charges ranging from ¼ lb. to 4.25 lbs. was used to attempt to dislodge ~~packed~~ coal along the sides of the storage barn. The resulting coal dust explosion and brief fire heavily damaged the siding and roofing panels of the storage barn and also started a grass fire on the east side of the complex.

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 WS 30-2-607 (m) and WS 30-2-503 (c) .

Portion of the Operation to which Notice Applies

Blasting operations

Remedial Action Required (including interim steps, if any)

- 1) The blaster-in-charge on the shot, Brent H. Washburn, Wyoming Blaster Certificate #WS 0624-09, and his supervisor William C. Jenkins, Wyoming Blaster Certificate #WS 1206-10, are suspended under LQD Coal Rules and Regulations Chapter 6 Section 6.(h)(i)(C) effective on June 25, 2012. The suspensions are effective for two weeks and both will be reinstated on July 10, 2012..
- 2) Wyodak Mine will modify blasting procedures to incorporate the review of laws when dealing with procedures and practices regarding blasting.
- 3) Certified Blasters need to review and comply with Wyoming State and Federal laws regarding blasting.

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

- 1) Mr. Washburn and Mr. Jenkins will not be able to act as the blaster in-charge on any shots between June 25 and July 9, 2012..
- 2) Wyodak must submit to LQD documentation that all blasters at the mine have reviewed the State and Federal blasting regulations. This documentation must be submitted to LQD by June 29, 2012.