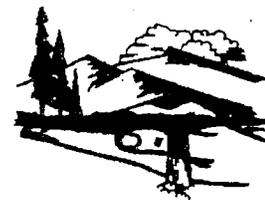




Department of Environmental Quality



To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

Dave Freudenthal, Governor

John Corra, Director

April 11, 2008

Certified #: 7005 1820 0005 1478 2109

Return Receipt Requested

Ray Lemay, Owner
Basin Processing
1005 Cloud Peak Avenue
Basin, WY 82410

RE: Issuance of Notice of Violation (NOV), Basin Processing

Dear Mr. Lemay:

Enclosed is a Notice of Violation (NOV) issued to Basin Processing for violations of the Wyoming Environmental Quality Act (EQA), and the Wyoming Solid Waste Rules and Regulations (SWRR). On November 30, 2007, Wyoming Department of Environmental Quality (WDEQ), Solid and Hazardous Waste Division (SHWD) and Water Quality Division (WQD) personnel, conducted an inspection of the Basin Processing facility [a commercial animal processing facility] located at 1005 Cloud Peak Avenue in the town of Basin, Wyoming. The inspection was conducted due to a complaint received by the Department regarding the open dumping of dead animal wastes produced by your facility on private property and odor problems associated with the open dumping. You accompanied Department personnel during the inspection to answer questions. As a result of the inspection, significant violations (SNC) of the Wyoming EQA and SWRR were observed.

Specifically, the NOV has been issued for the following significant violations (SNC):

Count 1. The November 30, 2007, Department inspection revealed that Basin Processing is in violation of Wyoming Statute §35-11-502(a)(i) and SWRR, Chapter 1, Section 1(f)(i), for locating, operating, and managing a solid waste management facility [open dump and/or treatment facility] on property owned by Jones Bros. Enterprises, LLC without first obtaining an authorized permit from the Department. Basin Processing was conducting improper "treatment" (composting) of its municipal solid wastes (animal wastes) in an open trench [an open dump], uncovered, within 60 feet of surface water [a pond] on property owned by Jones Bros. Enterprises, LLC in the vicinity of Otto, Wyoming.

Count 2. The November 30, 2007, Department inspections revealed that Basin Processing is in violation of Wyoming SWRR, Chapter 1, Section 1(h)(i) for conducting the prohibited act of open dumping municipal solid wastes in an open trench [an open dump] on property owned by Jones Bros. Enterprises, LLC. Basin Processing was conducting the prohibited act



Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH (307) 777-7937 FAX 777-3610	ABANDONED MINES (307) 777-6145 FAX 777-6462	AIR QUALITY (307) 777-7391 FAX 777-5616	INDUSTRIAL SITING (307) 777-7369 FAX 777-5973	LAND QUALITY (307) 777-7756 FAX 777-5864	SOLID & HAZ. WASTE (307) 777-7752 FAX 777-5973	WATER QUALITY (307) 777-7781 FAX 777-5973
--	---	---	---	--	--	---



Basin Processing

4/10/2008

Page 2

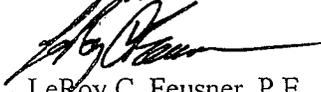
of "open dumping" of its municipal solid wastes (animal wastes), uncovered, within 60 feet of surface water [a pond] on property owned by Jones Bros. Enterprises, LLC located in the vicinity of Otto, Wyoming.

These violations have raised the Department's concerns and are significant enough for the Department to seek penalty for failure to properly treat or dispose of municipal solid wastes at a permitted solid waste management facility. The unauthorized disposal of solid wastes generated by your commercial animal processing facility, near surface water and the potential human health and environmental problems associated with these activities, posed serious potential environmental problems. For these reasons and the potential economic advantage over other similar business entities caused by your noncompliance, the department is seeking a penalty. If you would like to discuss voluntary settlement, please contact Bob Breuer, Inspection & Compliance Program Manager, in our Casper office at 307-437-3450 or Tim Moe in Sheridan at 307-673-9337, within ten (10) days of your receipt of this letter.

In conclusion, in order to properly address the Department's violations, you must: 1) immediately stop disposal of solid wastes generated by your Basin Processing facility on private property owned by Jones Bros. Enterprises, LLC [an exempt farming and ranching operation] or on any other property that is not authorized by the Department as a permitted solid waste management facility; 2) immediately stop treatment (composting) of municipal solid wastes (dead animals) on Jones Bros. Enterprises, LLC property without first obtaining a proper permit from the Department to conduct this activity; 3) continue disposing of solid wastes, generated by your Basin Processing facility, at a permitted disposal facility such as the Big Horn County landfill (south) located north of Basin, Wyoming. Jones Bros. Enterprises, LLC, is not exempt from conducting treatment (composting) of municipal solid wastes (animal wastes), generated by its exempt farming and ranching operation, or disposal of solid wastes generated by a commercial entity, such as Basin Processing, without first obtaining authorized permits from the Department to do so.

All of the above violations must be addressed unless otherwise noted within ninety (90) days of receipt of this notice. Please contact Mr. Dale Anderson, in our Casper office at (307) 473-3472 with questions regarding treatment, disposal, or other permitting issues. If you have any questions or would like to discuss voluntary settlement, please contact Bob Breuer in our Casper office at (307) 473-3454 or Timothy Moe at (307) 673-9337 in our Sheridan office.

Sincerely,



LeRoy C. Feusner, P.E., BCEE
Administrator
Solid and Hazardous Waste Division

Enclosure: NOV

Cc: Bob Breuer, I&C Program Manager, WDEQ/SHWD Casper Office, File #46.00/61.100
Tim Link, I&C, WDEQ/SHWD Cheyenne Office, File #46.00/61.100
Dale Anderson, SWP&CA, WDEQ/SHWD Casper Office, File #46.00/61.100
Tim O'Neal, Wyoming Livestock Board, Field Office, P.O. Box 57, Lander, WY 82520
Dr. Jim Logan, Wyoming Livestock Board, Field Office, PO Box 57, Lander, WY 82520
Tim Moe, I&C, WDEQ/SHWD Sheridan Office, Basin Processing, File #46.00/61.100

**BEFORE THE
ENVIRONMENTAL QUALITY COUNCIL
STATE OF WYOMING**

IN THE MATTER OF THE
NOTICE OF VIOLATION
ISSUED TO:

RAY LEMAY, OWNER)
BASIN PROCESSING)
1005 CLOUD PEAK AVENUE) DOCKET NO.: 4248-08
OTTO WY 82410)
)

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT:

1. On November 30, 2007, the Wyoming Department of Environmental Quality (WDEQ), Solid and Hazardous Waste Division (SHWD) personnel, Mr. Timothy Moe, and Water Quality Division (WQD) personnel, Mr. Jim Eisenhauer and Ms. Jessica Weihert, conducted an inspection of the Basin Processing facility located at 1005 Cloud Peak Avenue in Basin, Wyoming, to evaluate compliance with the Wyoming Environmental Quality Act (EQA) and the Wyoming Solid Waste Rules and Regulations (SWRR).

2. The Department's inspection revealed that uncovered dead animal wastes (offal) generated by Basin Processing and Jones Brothers, LLC, were being dumped into a trench (located on private property owned by Jones Bros. Enterprises LLC) which is not a permitted waste disposal site. The trench was located approximately 60 feet from a fish pond. The inspection revealed the following violations of the Wyoming EQA and SWRR:

Count 1: Wyoming Statute §35-11-502(a)(i), states: "No person, except when authorized under the permit system established pursuant to this act, shall: (i) Locate, construct, operate or close a solid waste management facility.

Wyoming Statute §35-11-103. Definitions, (d)(ii), defines "Solid waste management facility" as meaning any facility for the treatment, processing, storage or disposal of solid waste and "Solid waste" as meaning garbage, and other discarded solid materials, materials, including solid waste material resulting from industrial, commercial and agricultural operations.

Chapter 1, Section 1(f)(i) of the SWRR, states: "A permit or a one-time or emergency disposal authorization is required from the location, construction, operation or closure of any new or existing solid waste management facility as specified by Chapter 1, Section 5, or by the applicable chapter(s) of these rules and regulations. All facilities shall be located, designed, constructed, operated and closed in accordance with the permit or disposal authorization issued by the director or administrator".

Chapter 1, Section 1(e) of the SWRR, defines "Treatment" as "any method, technique, or process designed to change the physical, chemical, or biological character or composition of any solid waste so as to recover energy or material resources from the waste or so as to render it safer to transport, store, or dispose of, or to make it amenable for recovery, use, or storage, or for reduction in volume. Treatment includes but is not limited to baling, chipping, composting, distilling, incinerating, processing, reconditioning, recovering, recycling, rerefining, reclaiming, and shredding."

Basin Processing was in violation of the Wyoming EQA, Wyoming Statute §35-11-502(a)(i) and the SWRR, Chapter 1, Section 1(f)(i), for locating, constructing, and operating a solid waste management facility [a municipal solid waste (animal waste) treatment facility] without an authorized permit on property owned by Jones Bros. Enterprises, LLC located in the vicinity of Otto, Wyoming.

Count 2. Chapter 1, Section 1(e) of the SWRR, defines "open dump" as: "an uncontrolled solid waste management facility at which solid wastes are placed on the land in such a manner that they present a real or potential hazard to public health and the environment. Open dump includes any solid waste management facility subject to the permitting requirements of these rules and regulations which does not have a current, valid permit."



Chapter 1, Section 1(h), Prohibited acts, of the SWRR, states: "The following acts are prohibited: (i) Open dumping.

Basin Processing was in violation of SWRR, Chapter 1, Section 1(h)(i) for conducting the prohibited act of open dumping of municipal solid wastes (animal wastes) on property owned by Jones Bros. Enterprises, LLC, in the vicinity of Otto, Wyoming.

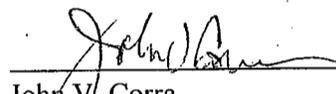
ANY PERSON who violates any provision of the Environmental Quality Act, or any rules, standard, permit, license, or variance adopted thereunder is liable to a penalty of ten thousand dollars (\$10,000) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming; and

THIS NOTICE OF VIOLATION is being sent to you pursuant to Wyoming Statute 35-11-701(c) which requires that in any case of the failure to correct or remedy an alleged violation the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

Signed this 25th day of APRIL, 2008



LeRoy C. Feusner, P.E., BCEE
Administrator
Solid & Hazardous Waste Division



John V. Corra
Director
Dept. of Environmental Quality