

JIM. GIBBONS
Governor



STATE OF NEVADA
STATE ENVIRONMENTAL COMMISSION

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Acting Director



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May 12, 2011

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American Assay Laboratories
1500 Glendale Avenue
Sparks, NV 89431ess

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Division of Forestry

RE: Penalty Assessments for Air Quality Violation No. 2283
Class III Air Quality Operating Permit AP8734-2232 (FIN A0585)

Frances Barron
State Board of Health
Las Vegas, NV

Dear Mr. Burk:

Jason King
State Engineer
Division of Water Resources

On August 19, 2010, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP) performed an unscheduled inspection of the American Assay Laboratories (AAL) facility located at 2320 Last Chance Road, Elko, Nevada. The NDEP inspector documented that AAL failed to apply for and receive a modified air quality operating permit prior to replacing and/or the installation of additional processing equipment.

Kathryn Landreth
Reno, NV

On November 29, 2010 the NDEP held an enforcement conference with AAL to discuss the alleged air quality violation. Based on the information discussed during the enforcement conference, the NDEP confirmed that issuance of the above referenced Notice of Alleged Air Quality Violation and Order to AAL was warranted. The NOAV contains documentation that AAL failed to apply for and receive a modified air quality operating permit prior to replacing and/or installing additional equipment. NOAV 2283 constitutes a major violation under NAC 445B.281.

Jim Barbee
Director, Department of
Agriculture

Kenneth Mayer - Director
Department of Wildlife

Tom Porta
Reno, NV

Mark Turner
Carson City, NV

Stephanne Zimmerman
Las Vegas, NV

When NDEP sent the NOAV by certified mail on January 25, 2011, it notified AAL of its appeal rights pursuant to NRS 445B.340 and NRS 445B.360. Since AAL did not appeal the NOAV, the State Environmental Commission (SEC) will determine the appropriate penalty for the violations contained in NOAV No. 2283 at its meeting on June 16, 2011.

COUNSEL
Rose Marie Reynolds

STAFF
John B. Walker
Executive Secretary

This meeting will be held on Thursday, June 16, 2010 at 9:30 a.m. at the Nevada Department of Wildlife's Conference Room A, 1100 Valley Road, Reno, Nevada.

Pursuant to NRS 445B.640(1), the SEC may levy an administrative fine of not more than \$10,000 per day per violation. Staff from NDEP will provide the SEC with a brief overview of the NOAV and its recommendation for an administrative fine of \$1,600.00, which has been calculated from a penalty matrix previously approved by the Commission. The Commission will formally levy a fine by accepting NDEP's recommendation or increasing or decreasing the fine amount based on the information presented at the meeting.

Your presence is not required at the June 16, 2011 meeting, although you or a company representative may wish to attend and speak on behalf of AAL. The SEC may, without further notice, take administrative action against AAL, if the SEC determines that such administrative action is warranted after it considers NOAV No. 2283.

If you have any questions regarding this notice, please contact me at (775) 687-9308.

Sincerely,

John B. Walker
Executive Secretary

JW:jw

Certified Mail # 7007 0220 0003 5226 0828

cc: Colleen Cripps, NDEP
Michael Elges, NDEP
Francisco Vega, NDEP
Rose Marie Reynolds, SEC/DAG