

STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Brian Sandoval, Governor

Leo M. Drozdoff, P.E., Director

Colleen Cripps, Ph.D., Administrator

June 5, 2013

Mitch Geisler
Chief Operating Officer
Nevada Rae Gold, Inc.
157 Adelaide Street West, Suite 508
Toronto, Ontario, Canada
M5H4E7

**RE: Notice of Alleged Air Quality Violation and Order Nos. 2445, 2446, 2447, and 2448
Class II Air Quality Operating Permit AP1041-2646 (FIN A0411)**

Dear Mr. Geisler:

The Nevada Division Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) alleges that Nevada Rae Gold, Inc. (NRG) has violated a condition of their Class II Air Quality Operating Permit AP1041-2646 (FIN A0411).

On May 30, 2013, the NDEP-BAPC held an enforcement conference with NRG to discuss the supporting information regarding the draft Notice of Alleged Violation and Order (NOAV) dated April 19, 2013. Based on the information presented during the conference, the NDEP-BAPC has determined that issuance of NOAV Nos. 2445, 2446, 2447, and 2448 are warranted. Failure to keep a copy of the air quality operating permit on site, missing monitoring records for various systems, exceeding throughput limits, and failure to report deviations from the air quality operating permit constitute violations of **Nevada Administrative Code (NAC) 445B.275 Violations: Acts constituting; notice** (see below).

NAC 445B.275 Violations: Acts constituting; notice states, in part, that: "1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

- (c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.
- (e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit.

The attached NOAV Nos. 2445, 2446, 2447, and 2448 constitute major violations as defined by Section 2 of **NAC 445B.281 Violations: Classification; administrative fines**. NOAV Nos. 2445, 2446, 2447, and 2448 are the first NOAVs issued to NRG in the past 60 months.



Nevada Rae Gold, Inc.

June 5, 2013

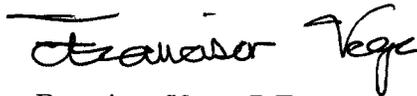
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As was discussed during the conference, the NDEP-BAPC makes recommendations to the Nevada State Environmental Commission (SEC) as to what an appropriate penalty may be for major air quality violations. The NDEP will be recommending a penalty of \$600 for NOAV No. 2445. As was also discussed during the enforcement conference, NOAV Nos. 2446, 2447, and 2448 will be issued as warnings.

An appeal of NOAV Nos. 2445, 2446, 2447, and 2448 may be requested pursuant to **Nevada Revised Statutes (NRS) 445B.360** and SEC administrative rules. A copy of SEC Appeal Form #3 is enclosed. Appeals must be received within 10 days of receipt of this notice, pursuant to **NRS 445B.340**. Appeals are processed through John Walker, the Executive Secretary for the SEC, at 901 South Stewart Street, Suite 4001, Carson City, Nevada, 89701-5249. Mr. Walker can be reached at 775-687-9308, or by fax at 775-687-5856. Please provide me with a copy of any correspondence your company may have with the SEC.

If you have any questions regarding the alleged violations or the enforcement conference, please call Mark Talavera at (775) 687-9470 or myself at (775) 687-9343.

Sincerely,



Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

FV/mt

enc.: 1. Notice of Alleged Air Quality Violation and Order Nos. 2445, 2446, 2447, & 2448
2. SEC Appeal Form #3

cc (w/enc. 1): John Walker, SEC
Lander County Board of Commissioners
Francisco Vega, NDEP
FIN A0411 (Certified Copy)

E-Copy: Mitch Geisler, NRG
Rob Landau, NRG
Scott C. Ackert, Redstone Environmental Consultants LLC

Sent by International Mail

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2445

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mitch Geisler (Chief Operating Officer)

Company Name: Nevada Rae Gold, Inc.

Address: 157 Adelaide Street West, Suite 508, Toronto, Ontario, Canada M5H7E7

Permit Number: AP1041-2646 **FIN:** A0411

Site of Alleged Violation: 2.4 miles south of the town of Crescent Valley on the west side of Highway 306

Date of Observation: 3/21/2013 **Arrival:** 9:15 AM **Departure:** 10:45 AM

Ambient Temperature: 40 °F **Clear:** X **Cloudy:** **Rain:** **Snow:**

Wind Speed: Varied mph **Wind Direction:** Varied

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

It is alleged that the following act or practice constitutes the violation:

Failure to keep a hard copy of the air quality operating permit on site.

Evidence:

On March 21, 2013, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) conducted a compliance inspection at the Nevada Rae Gold, Inc. (NRG) facility located 2.4 miles south of Crescent Valley, Nevada. NRG operates under Class II Air Quality Operating Permit AP1041-2646, issued on March 26, 2010.

The NDEP-BAPC was accompanied by Pam Monahan, NRG's site office manager, during the March 21, 2013 inspection. The NDEP-BAPC requested to see a hard copy of the air quality operating permit on site; however Ms. Monahan was unable to retrieve a hard copy of the most current permit. The NDEP-BAPC made clear to Ms. Monahan that the facility is out of compliance for failing to have a hard copy of the air quality operating permit on site. Shortly after the discussion with Ms. Monahan, NRG's chief executive officer Rob Landau appeared on site wherein the NDEP-BAPC readdressed the issues regarding the facility's non-compliance. On March 28, 2013, the NDEP-BAPC contacted Mitch Geisler, NRG's chief operating officer and responsible official for their air quality operating permit, via phone to address the facility's non-compliance issues to him as well.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2445

Evidence (cont.)

On May 30, 2013, the NDEP-BAPC held an enforcement conference with NRG to discuss the information regarding Notice of Alleged Violation (NOAV) No. 2445. The enforcement conference represented NRG's opportunity to provide any evidence that would lead the NDEP-BAPC into determining that NOAV No. 2445 should not be issued. During the enforcement conference NRG was unable to provide any evidence that violations associated with NOAV No. 2445 did not occur and should not be issued. NRG did not have any questions and understood that NOAV No. 2445 would be formally issued.

In accordance with **NAC 445B.281 Violations: Classification; administrative fines**, failure to keep a hard copy of the air quality operating permit on site constitutes a major violation. This NOAV No. 2445 (in conjunction with NOAV Nos. 2446, 2447, and 2448 issued under the same cover for failure to maintain monitoring records for various systems, exceeding permitted throughput rate limits, and failure to report deviations respectively) represents NRG's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: _____

To take corrective action: Keep a current hard copy of the air quality operating permit posted.

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

_____ This notice is a warning.

Signature Francisco Vega
Issued by: Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: June 5, 2013

FV/mt

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2446

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mitch Geisler (Chief Operating Officer)

Company Name: Nevada Rae Gold, Inc.

Address: 157 Adelaide Street West, Suite 508, Toronto, Ontario, Canada M5H7E7

Permit Number: AP1041-2646 **FIN:** A0411

Site of Alleged Violation: 2.4 miles south of the town of Crescent Valley on the west side of Highway 306

Date of Observation: 3/21/2013 **Arrival:** 9:15 AM **Departure:** 10:45 AM

Ambient Temperature: 40 °F **Clear:** X **Cloudy:** **Rain:** **Snow:**

Wind Speed: Varied mph **Wind Direction:** Varied

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

- (e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit.

It is alleged that the following act or practice constitutes the violation:

Failure to maintain monitoring records for various systems as required by the air quality operating permit.

Evidence:

On March 21, 2013, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) conducted a compliance inspection at the Nevada Rae Gold, Inc. (NRG) facility located 2.4 miles south of Crescent Valley, Nevada. NRG operates under Class II Air Quality Operating Permit AP1041-2646, issued on March 26, 2010.

The NDEP-BAPC was accompanied by Pam Monahan, NRG's site office manager, during the March 21, 2013 inspection. The NDEP-BAPC verified that all the permitted equipment was in place with their corresponding controls. Ms. Monahan indicated that the facility possessed only one weigh scale which was used to measure the throughput rates going into System 01. The NDEP-BAPC asked how the facility tracked the throughput rates for the rest of the systems, which all have monitoring requirements as stated in their air quality operating permit. Ms. Monahan confirmed that the facility only monitors the throughput that is entering System 01. The NDEP-BAPC made clear to Ms. Monahan that the facility is out of compliance for failing to maintain monitoring records for various systems as required by the air quality operating permit. Shortly after the discussion with Ms. Monahan, NRG's chief executive officer Rob Landau appeared on site wherein the NDEP-BAPC readdressed the issues regarding the facility's non-compliance. The NDEP-BAPC was unable to do a thorough monitoring records review on site, hence digital copies of the previous two years of monitoring records was requested, and Mr. Landau assured that the records would be sent by the end of the day.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2446

Evidence (cont.)

Because the requested records were never received by the NDEP-BAPC, on March 28, 2013 Mitch Geisler, NRG's chief operating officer and responsible official for their air quality operating permit, was contacted via phone. The NDEP-BAPC addressed the facility's non-compliance issues with Mr. Geisler and made another verbal request for the records. Mr. Geisler requested that an official letter, requesting those records, be sent to NRG before they release any information to the NDEP-BAPC. On March 29, 2013, the NDEP-BAPC sent an official letter to NRG requesting monitoring records. Monitoring records from January 1, 2011 through December 31, 2012 were received by the NDEP-BAPC on April 5, 2013 via email. Although monitoring records for System 01 were submitted, no monitoring records were provided for Systems 02 through 08.

On May 30, 2013, the NDEP-BAPC held an enforcement conference with NRG to discuss the information regarding Notice of Alleged Violation (NOAV) No. 2446. The enforcement conference represented NRG's opportunity to provide any evidence that would lead the NDEP-BAPC into determining that NOAV No. 2446 should not be issued. During the enforcement conference NRG was unable to provide any evidence that violations associated with NOAV No. 2446 did not occur and should not be issued. NRG did not have any questions and understood that NOAV No. 2446 would be formally issued.

In accordance with **NAC 445B.281 Violations: Classification; administrative fines**, failure to maintain monitoring records for various systems as required by the air quality operating permit constitutes a major violation. This NOAV No. 2446 (in conjunction with NOAV Nos. 2445, 2447, and 2448 issued under the same cover for failure to keep a hard copy of the air quality permit on site, exceeding permitted throughput rate limits, and failure to report deviations respectively) represents NRG's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: _____ \$ _____

To take corrective action: Submit a permit application for revision by June 14, 2013 to adjust throughput rate limits for all systems.

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

This notice is a warning.

Signature: Francisco Vega
Issued by: Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: June 5, 2013

FV/mt

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2447

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mitch Geisler (Chief Operating Officer)

Company Name: Nevada Rae Gold, Inc.

Address: 157 Adelaide Street West, Suite 508, Toronto, Ontario, Canada M5H7E7

Permit Number: AP1041-2646 **FIN:** A0411

Site of Alleged Violation: 2.4 miles south of the town of Crescent Valley on the west side of Highway 306

Date of Observation: 3/21/2013 **Arrival:** 9:15 AM **Departure:** 10:45 AM

Ambient Temperature: 40 °F **Clear:** X **Cloudy:** **Rain:** **Snow:**

Wind Speed: Varied mph **Wind Direction:** Varied

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

It is alleged that the following act or practice constitutes the violation:

Exceeding the permitted throughput rate limits.

Evidence:

On March 21, 2013, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) conducted a compliance inspection at the Nevada Rae Gold, Inc. (NRG) facility located 2.4 miles south of Crescent Valley, Nevada. NRG operates under Class II Air Quality Operating Permit AP1041-2646, issued on March 26, 2010.

The NDEP-BAPC was accompanied by Pam Monahan, NRG's site office manager, during the March 21, 2013 inspection. Ms. Monahan indicated that the facility possessed only one weigh scale which was used to measure the throughput rates going into System 01. The NDEP-BAPC asked how the facility tracked the throughput rates for the rest of the systems, which all have monitoring requirements as stated in their air quality operating permit. Ms. Monahan confirmed that the facility only monitors the throughput that is entering System 01. The NDEP-BAPC then requested to view the monitoring records for System 01 and noticed several exceedances of the permitted throughput rate limit. The NDEP-BAPC made clear to Ms. Monahan that the facility is out of compliance for exceeding the permitted throughput rate limits. Shortly after the discussion with Ms. Monahan, NRG's chief executive officer Rob Landau appeared on site wherein the NDEP-BAPC readdressed the issues regarding the facility's non-compliance. The NDEP-BAPC was unable to do a thorough monitoring records review on site, hence digital copies of the previous two years of monitoring records was requested, and Mr. Landau assured that the records would be sent by the end of the day.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2447

Evidence (cont.)

Because the requested records were never received by the NDEP-BAPC, on March 28, 2013 Mitch Geisler, NRG's chief operating officer and responsible official for their air quality operating permit, was contacted via phone. The NDEP-BAPC addressed the facility's non-compliance issues with Mr. Geisler and made another verbal request for the records. Mr. Geisler requested that an official letter, requesting those records, be sent to NRG before they release any information to the NDEP-BAPC. On March 29, 2013, the NDEP-BAPC sent an official letter to NRG requesting monitoring records. Monitoring records from January 1, 2011 through December 31, 2012 were received by the NDEP-BAPC on April 5, 2013 via email. Upon further review of the monitoring records, it was confirmed that NRG exceeded their permitted throughput limit 25 times over the two year period. Although monitoring records for System 01 were submitted, no monitoring records were provided for Systems 02 through 08.

On May 30, 2013, the NDEP-BAPC held an enforcement conference with NRG to discuss the information regarding Notice of Alleged Violation (NOAV) No. 2447. The enforcement conference represented NRG's opportunity to provide any evidence that would lead the NDEP-BAPC into determining that NOAV No. 2447 should not be issued. During the enforcement conference NRG was unable to provide any evidence that violations associated with NOAV No. 2447 did not occur and should not be issued. NRG did not have any questions and understood that NOAV No. 2447 would be formally issued.

In accordance with **NAC 445B.281 Violations: Classification; administrative fines**, exceeding the permitted throughput rate limits constitutes a major violation. This NOAV No. 2447 (in conjunction with NOAV Nos. 2445, 2446, and 2448 issued under the same cover for failure to keep a hard copy of the air quality permit on site, failure to maintain monitoring records for various systems, and failure to report deviations respectively) represents NRG's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: _____ \$ _____

To take corrective action: Submit a permit application for revision by June 14, 2013 to adjust throughput rate limits for all systems. _____

_____ To appear for a hearing before the Environmental Commission at:

Date: _____

Time: _____

_____ To appear for an enforcement conference at:

Date: _____

Time: _____

This notice is a warning.

Signature: Francisco Vega
Issued by: Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343

Date: June 5, 2013

FV/mt

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2448

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mitch Geisler (Chief Operating Officer)

Company Name: Nevada Rae Gold, Inc.

Address: 157 Adelaide Street West, Suite 508, Toronto, Ontario, Canada M5H7E7

Permit Number: AP1041-2646 **FIN:** A0411

Site of Alleged Violation: 2.4 miles south of the town of Crescent Valley on the west side of Highway 306

Date of Observation: 3/21/2013 **Arrival:** 9:15 AM **Departure:** 10:45 AM

Ambient Temperature: 40 °F **Clear:** X **Cloudy:** **Rain:** **Snow:**

Wind Speed: Varied mph **Wind Direction:** Varied

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

- (e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit.

It is alleged that the following act or practice constitutes the violation:

Failure to report deviations from the requirements of the air quality operating permit.

Evidence:

On March 21, 2013, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) conducted a compliance inspection at the Nevada Rae Gold, Inc. (NRG) facility located 2.4 miles south of Crescent Valley, Nevada. NRG operates under Class II Air Quality Operating Permit AP1041-2646, issued on March 26, 2010.

The NDEP-BAPC was accompanied by Pam Monahan, NRG's site office manager, during the March 21, 2013 inspection. Ms. Monahan indicated that the facility possessed only one weigh scale which was used to measure the throughput rates going into System 01. The NDEP-BAPC asked how the facility tracked the throughput rates for the rest of the systems, which all have monitoring requirements as stated in their air quality operating permit. Ms. Monahan confirmed that the facility only monitors the throughput that is entering System 01. The NDEP-BAPC then requested to view the monitoring records for System 01 and noticed several exceedances of the permitted throughput rate limit. The NDEP-BAPC made clear to Ms. Monahan that the facility is out of compliance exceeding the permitted throughput rate limits. Shortly after the discussion with Ms. Monahan, NRG's chief executive officer, Rob Landau appeared on site wherein the NDEP-BAPC readdressed the issues regarding the facility's non-compliance. The NDEP-BAPC was unable to do a thorough monitoring records review on site, hence digital copies of the previous two years of monitoring records was requested, and Mr. Landau assured that the records would be sent by the end of the day.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2448

Evidence (cont.)

The requested records were never received by the NDEP-BAPC and furthermore, the NDEP-BAPC was unable to locate any notifications that should have been sent by NRG to the NDEP office regarding their throughput deviations. On March 28, 2013 Mitch Geisler, NRG's chief operating officer and responsible official for their air quality operating permit, was contacted via phone. The NDEP-BAPC addressed the facility's non-compliance issues with Mr. Geisler and made another verbal request for the records. Mr. Geisler requested that an official letter, requesting those records, be sent to NRG before they release any information to the NDEP-BAPC. On March 29, 2013, the NDEP-BAPC sent an official letter to NRG requesting monitoring records. Monitoring records from January 1, 2011 through December 31, 2012 were received by the NDEP-BAPC on April 5, 2013 via email. Upon further review of the monitoring records, it was confirmed that NRG exceeded their permitted throughput limit 25 times over the two year period. Although monitoring records for System 01 were submitted, no monitoring records were provided for Systems 02 through 08.

On May 30, 2013, the NDEP-BAPC held an enforcement conference with NRG to discuss the information regarding Notice of Alleged Violation (NOAV) No. 2448. The enforcement conference represented NRG's opportunity to provide any evidence that would lead the NDEP-BAPC into determining that NOAV No. 2448 should not be issued. During the enforcement conference NRG was unable to provide any evidence that violations associated with NOAV No. 2448 did not occur and should not be issued. NRG did not have any questions and understood that NOAV No. 2448 would be formally issued.

In accordance with **NAC 445B.281 Violations: Classification; administrative fines**, failure to report deviations from the requirements of the air quality operating permit constitute a major violation. This NOAV No. 2448 (in conjunction with NOAV Nos. 2445, 2446, and 2447 issued under the same cover for failure to keep a hard copy of the air quality permit on site, failure to maintain monitoring records for various systems, and exceeding the permitted throughput rate limits respectively) represents NRG's first air quality violation in the past 60 months.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: \$ _____

To take corrective action: Report any deviations from the requirements of the air quality operating permit within 15 days of the deviation.

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

This notice is a warning.

Signature Francisco Vega
Issued by: Francisco Vega, P.E.
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: 775-687-9343 Date: June 5, 2013

FV/mt

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.



State of Nevada

Dept. of Conservation & Natural Resources

State Environmental Commission SEC.nv.gov

901 South Stewart Street, Suite 4001, Carson City, Nevada 89701

FORM 3: FORM FOR REQUESTING AN APPEAL HEARING
(Provide attachments as needed)

1. Name, address, telephone number, and signature of appellant:

Name: _____

Physical Address: _____

E-mail Address: _____

Telephone Number: _____

Signature: _____

Representative capacity (if applicable): _____

2. Attach copy of Nevada Division of Environmental Protection final decision, such as permit or notice of alleged violation, being appealed.

3. Specify grounds of appeal: (check all that apply)

- Final decision in violation of constitutional or statutory provision;
- Final decision made upon unlawful procedure;
- Final decision was affected by other error of law;
- Final decision was clearly erroneous in view of the reliable, probative and substantial evidence on the whole record;
- Final decision was arbitrary or capricious or characterized by abuse of discretion;

4. For each ground of appeal checked above, please list the constitutional, Nevada Revised Statute (NRS), and/or Nevada Administrative Code (NAC) provision allegedly violated. Also list the statutes and/or or regulations that give the State Environmental Commission jurisdiction to hear the appeal.

5. For each ground of appeal checked above, provide a brief and concise statement of the facts which provide the basis for the appeal.

Date of Request: _____.

Send Form to: Executive Secretary, State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, NV 89701