

**JIM. GIBBONS**  
Governor



STATE OF NEVADA  
**STATE ENVIRONMENTAL COMMISSION**

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**Leo Drozdoff, P.E.**  
Acting Director



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Las Vegas, NV

May 12, 2011

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Resources

David A. Ensign  
Managing Member  
Wendover Nugget Hotel and Casino  
101 Wendover Boulevard  
West Wendover, Nevada 89883

MEMBERS

Pete Anderson  
State Forester  
Division of Forestry

RE: Penalty Assessments for Air Quality Violation No.'s 2265, 2266,  
2267 and 2310 Class II Air Quality Operating Permit AP7011-1384 (FIN  
A0575)

Frances Barron  
State Board of Health  
Las Vegas, NV

Dear Mr. Ensign;

Jason King  
State Engineer  
Division of Water Resources

On September 21, 2010 and again on March 9, 2011 officials from the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (BAPC NDEP) held an enforcement conference with officials from the Wendover Nugget Hotel and Casino (WNC) to discuss the WNC's alleged failure to comply with several air quality regulations.

Kathryn Landreth  
Reno, NV

These regulations govern Stateline Nugget Hotel & Casino's four hot water boiler units and two cooling towers which are regulated under the above referenced Class II Air Quality Operating Permit. Based on the information presented during the conferences, NDEP determined that issuance of the above referenced Notice of Alleged Air Quality Violation and Order (NOAV) was warranted.

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

These NOAV's addressed operating without a valid air quality operating permit, failure to monitor and record daily operating records, operating an un-permitted boiler unit and failure to comply with NDEP Compliance Order 2010-16. The Compliance Order required the WNC to have fuel consumption meters on the boilers, water flow meters on the cooling towers and hour of operation meters for all the equipment installed, calibrated and operational by November 20, 2010.

COUNSEL  
Rose Marie Reynolds

STAFF  
John B. Walker  
Executive Secretary

When NDEP sent the NOAV by certified mail on March 04, 2011, it notified WNC of its appeal rights pursuant to NRS 445B.340 and NRS 445B.360. Since WNC decided not to appeal the NOAVs, the State Environmental Commission (SEC) will determine the appropriate penalty for the violations contained in NOAV No. 2265, 2266, 2267 and 2310 at its meeting on June 16, 2011.

This meeting will be held on Thursday, Jun 16, 2011 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 \$19,400.00 which has been calculated from a penalty matrix previously approved by the Commission. The fine amounts for the respective NOAV's are as follows: #2265 \$12,000, #2266 \$2,400 and #2310 \$5,000.

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 WNC. The SEC may, without further notice, take administrative action against WNC, if the SEC determines that such administrative action is warranted after it considers NOAV 2265, 2266, 2267 and 2310.

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 0804

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