Filed: 11/29/2012 WEQC

DEPARTMENT OF ENVIRONMENTAL QUALIT LAND QUALITY DIVISION STATE OF WYOMING

IN THE MATTER OF NOTICE OF) VIOLATION AND ABATEMENT) ISSUED TO KINGS'S POINT) ENERGY, HOLDER OF PERMIT) NO'S 249, 468, AND 469, TO) ARTHUR J. SCHMID III, 15250) VENTURA BLVD., SUITE 610,) SHERMAN OAKS, CA 91403; TO) THOMAS J. CARROLL, ATTORNEY) 219 E. 29th STREET, CHEYENNE) WYOMING 82001, AND WILLIAM S.) DEYOUNG, KINGS POINT ENERGY) INC., 15250 VENTURA BLVD.,) SUITE 610, SHERMAN OAKS, CA) 91403

Docket No. 856-81

NOTICE OF VIOLATION AND ABATEMENT

NOTICE

YOU ARE HEREBY NOTIFIED THAT:

1. On april 1, 1980 W.C. Ackerman, Administrator Land Quality Division, Department of Environmental Quality, State of Wyoming, notified all coal operators including Kings Point Energy, Inc., William S. DeYoung, Administrative Assistant, that within two (2) months following final approval of a State Program pursuant to Section 503 of P.L. 95-87, all coal operators shall make application for a new permit;

2. On September 5, 1980 Mr. Arthur Schmid was sent from W.C. Ackerman, Administrator, Land Quality Division, which re-iterates and specifies details of the requirement noticed in Item 1 above;

3. The certified letter noticed in Item 2 above was sent on September 12, 1980 to Mr. DeYoung;

4. Said State Program was approved November 26, 1980 and said two months expired Jan. 26, 1981 and as of Feb. 2, 1981 the operator has not submitted the required application

5. Kings Point Energy is hereby notified that Permit No. 249, 468, & 469 are not in compliance with W.S. 35-11-401(d) and is notified that no coal mining activities may be acted under existing Permit Nos. 249, 468, and 469;

5. U.S. 35-11-901(a) provides that any person who violates any provision of the Environmental Quality Act, or any rule, standard, permit, license or variance adopted thereunder is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, or for multiple violations, five thousand dollars (\$5,000.00) for each day of violation, which penalty may be assessed by the Director.

ABATEMENT

1. Kings Point Energy shall take remedial action by filing an application as required by W.S. 35-11-401(d) no later then March 2, 1981.

ORDERED this 57th day of February, 1981.

W.C. Glerman

W.C. Ackerman, Administrator Land Quality Division Department of Environmental Quality

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Robert E. Sundin, Director Department of Environmental Quality

PLEASE DIRECT ALL INQUIRIES to Ed Francis, District III Engineer, Land Quality Division, 401 West 19th Street, Cheyenne, WY 82002, Phone (307) 777-7756.