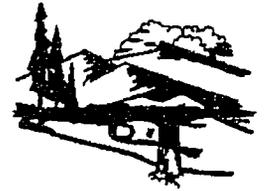




Department of Environmental Quality



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

June 25, 2008

Mr. Jude R. Rolfes, P.E.
Senior Vice President
Medicine Bow Fuel & Power, LLC
Two Riverway, Suite 1780
Houston, TX 77056

CERTIFIED – RETURN RECEIPT REQUESTED
Notice of Publication
Permit Application AP-5873

Dear Mr. Rolfes:

The Division of Air Quality has completed its initial evaluation of your permit application to construct an underground coal mine and industrial gasification and liquefaction (IGL) plant that will produce transportation fuels and other products. The underground coal mine is expected to have a maximum production rate of 8,700 tons per day (TPD) of coal or approximately 3.2 million tons per year (MMTPY) of coal as feed to the IGL Plant. The plant will gasify coal to produce synthesis gas (syngas) to produce the following products: 18,500 barrels per day (bpd) of gasoline, 42 tons per day of sulfur, 198 million standard cubic feet per day (MMscfd) of carbon dioxide (CO₂), and 712 tons per day of coarse slag. The Medicine Bow IGL Plant is located in Section 29, T21N, R79W, approximately eleven (11) miles, southwest of Medicine Bow, in Carbon County, Wyoming.

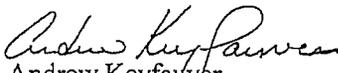
A copy of the public notice and notice of public hearing and of our evaluation is enclosed for your information. I would recommend that you review the proposed permit conditions associated with the Division's proposed approval. The Public Notice will appear in the July 3, 2008 issue of the Daily Times, Rawlins, Wyoming.

A copy of our evaluation and of your permit application will be kept on file for a thirty (30) day public inspection and comment period. At the end of this period, we will consider all comments made concerning your application and a final decision will be made on your application.

Per Chapter 6, Section 2(o) of the Wyoming Air Quality Standards & Regulations an initial billing is attached for the costs incurred by the Department in reviewing the application. Payment of the initial fee is required prior to permit issuance. An additional fee and any adjustments required to the initial fee shall be made upon permit issuance to cover any additional costs associated with final permit issuance, including costs of public notice, holding public hearings, reviewing public comments and final issuance of permit.

If you should have any questions concerning this matter, please feel free to contact me.

Sincerely,


Andrew Keyfauber
NSR Permit Engineer
Air Quality Division

cc: Chris Hanify
Bob Gill

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) 777-7752 FAX 777-5973
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