

**DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

NOTICE OF VIOLATION

**IN THE MATTER OF THE NOTICE OF)
VIOLATION ISSUED TO)
Power Resources Inc.)
P.O. Box 1219)
Glenrock, Wyoming 82637)
RE: Drilling Notification DN236)**

DOCKET NO. 4314-08

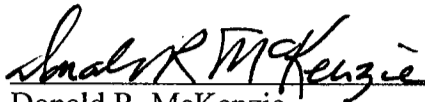
NOTICE

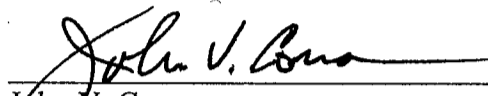
NOTICE IS HEREBY GIVEN THAT:

1. Notice of Violation (NOV) is being sent to you pursuant to the Environmental Quality Act (ACT), Wyoming Statute (W.S.) §35-11-701(c)(i), which requires that a written notice be issued in the case of failure to correct or remedy an alleged violation.
2. On June 26, 2008 an inspection of Drilling Notification (DN) 236 was conducted by Jennifer Bowers of the Wyoming Department of Environmental Quality, Land Quality Division (LQD), District I office. The areas covered during the inspection were located in Township 35N, Range 74W, Section 18 and Township 37N, Range 74W, Section 35 and 36 in converse County.
3. Drill holes were not properly abandoned. This is a violation of W.S. § 35-11-404(c)(i-iii).
4. Drill holes were not immediately capped following drilling. This is a violation of W.S. § 35-11-404(h).
5. Monitoring wells lacked a proper well cap and inadequate surface seals, which are violations of Chapter 11 Section 6 (b) (A) (ii) and (c) of the LQD Noncoal Rules and Regulations.
6. Drill hole sites were not properly backfilled, contoured and seeded for surface restoration. This is a violation of W.S. § 35-11-404(c)(v).
7. Plugging and abandonment had not occur as reported in the 2007 abandoned drill hole report and drill holes were incorrectly reported in the DN236 2007 abandoned drill hole report. This is a violation of W.S. § 35-11-901(k).
8. In addition, a records search found PRI has failed to submit abandoned drill hole reports to the LQD for 2002, 2003 and 2004 report periods. This is violation of W.S. § 35-11-404 (e).
9. W.S. § 35-11-901(a) provides that any person who violates any provision of the ACT or any rule, standard, permit, license or variance adopted there under is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

NOTHING IN THE NOTICE shall be interpreted to in any way limit or contravene any other remedy available under the ACT, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

DATED THIS 17 day of July, 2008.


Donald R. McKenzie
Administrator
Land Quality Division


John W. Corra
Director
Department of Environmental Quality

PLEASE DIRECT ALL INQUIRIES regarding this Notice of Violation to Lowell Spackman, Land Quality Division District 1 Supervisor, 122 West 25th Street, Cheyenne, WY 82002, telephone (307) 777-7052.

Attachment: June 26, 2008 Inspection Report