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Jim Ruby, Executive Secretary
Environmental Quality Council



November 15, 2010

Chairman of the Environmental Quality Council
Room 1714
Herschler Building 1st Floor West
122 West 25th Street
Cheyenne, Wyoming 82002

CERTIFIED MAIL
7005 1820 0001 1347 3514
Return Receipt Requested

Gentlemen,

We are in receipt of your letter dated November 2, 2010 concerning a Notice of Violation and Order, Docket Number 4759-10. We hereby appeal this order and request a hearing concerning the violations.

Our corporate name is Snowy Mountain Lodge, LLC. Until recently, we have not owned nor operated the subject property since 2006. We were awarded title to the property on October 13, 2010 thru a foreclosure process and sale. We are presently awaiting the outcome of a Special Use Permit application with the Forest Service.

The facility has not been in operation since at least October 19, 2009 when the Special Use Permit held by the previous owner, Snowy Mountain Lodge and Retreat Center, Inc., was revoked. Due to the timing of the foreclosure completion, it is likely that we will not be able to operate the complete facilities this winter. However, there is a possibility we could sell gasoline or diesel to those that snowmobile in the area. That would depend on our ability to receive a Special Use Permit, receive DEQ permission and management's desire to do so. Our future plans are to sell the improvements and we are actively trying to do so.

We feel that a time line would be important in considering this appeal. Therefore, I offer the following sequence of events:

10/10/2000 Snowy Mountain Lodge, LLC purchased the subject improvements and Forest Service land lease from Snowy Mountain Lodge Corporation, Michael L. Watts, President.

11/02/2000 Term Special Use Permit issued to Snowy Mountain Lodge, LLC

P.O. Box 151 3474 Scenic Byway 130 Centennial, WY 82055
Phone 307-742-SNOW Toll Free Reservations 1-866-GO SNOWY
www.snowymountainlodge.com e-mail: snowymtlodge@wyoming.com

04/01/2001 Snowy Mountain Lodge, LLC began repairs and remodeling of the subject improvements. Approximately one million dollars (\$1,000,000.00) was spent to repair and upgrade the facilities.

12/10/2001 The facilities were opened to the public and operations were begun. We operated the facilities sporadically until 2006.

07/07/2006 Signed Asset Purchase Agreement for the subject improvements and Forest Service land lease with Snowy Mountain Lodge and Retreat Center, Inc., owned by David McIlrath.

09/08/2006 Closed the sale of subject improvements and Forest Service land lease to Snowy Mountain Lodge and Retreat Center, Inc., owned by David McIlrath. Snowy Mountain Lodge, LLC accepted a down payment and executed a first mortgage with Snowy Mountain Lodge and Retreat Center, Inc. The note was personally guaranteed by David McIlrath and Lavonne McIlrath.

11/13/2009 Foreclosure proceedings started against Snowy Mountain Lodge and Retreat Center, Inc. and David and Lavonne McIlrath.

10/13/2010 Sheriff's foreclosure sale took place. Snowy Mountain Lodge, LLC regained ownership as there were no satisfactory bids at the sale.

We hereby respond to the specific violations and resulting order:

Count 1: As mortgage holder, and not the owner, Snowy Mountain Lodge, LLC never received any notices, written or oral, as to any requirements to upgrade the AST. Any correspondence would have been sent to the owner of record at that time, Snowy Mountain Lodge and Retreat Center, Inc. If ownership is retained long term we will comply with the requirements of WWQRR Chapter 17, Section 35(o).

Count 2: As mortgage holder, and not the owner, Snowy Mountain Lodge, LLC never received any notices, written or oral, as to any requirement to perform a Minimum Site Assessment (MSA). Any correspondence would have been sent to the owner of record at that time, Snowy Mountain Lodge and Retreat Center, Inc. If ownership is retained long term we will comply with the requirements of WWQRR Chapter 17, Section 29(a)(i).

Count 3: As mortgage holder, and not the owner, Snowy Mountain Lodge, LLC never received any notices, written or oral, as to any requirement to pay an annual tank fee. Any correspondence would have been sent to the owner of record at that time, Snowy Mountain Lodge and Retreat Center, Inc. Since we are now the owner we have enclosed payment of fifty dollars (\$50.00) for the 2010 fee. In the future we will make this payment in a timely manner.

Summary:

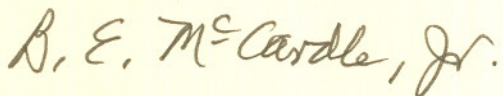
Snowy Mountain Lodge, LLC has not been the owner or operator of the Snowy Mountain Lodge since September 8, 2006 and before October 13, 2010. The Lodge is presently still not in operation although some consideration is being given to the possibility of selling gasoline and diesel thru the 2010-2011 winter season. Since we were not the owner of record during the time the Department of Environmental Quality determined that these violations occurred, we have never received any correspondence concerning the violations. All correspondence in these matters would have been sent to the owner of record at the time, Snowy Mountain Lodge and Retreat Center, Inc. at their address. We were totally unaware of any law changes or notices of violations. During our first period of ownership and operations, right up until we sold, we stayed in compliance with all rules and regulations and will do so again.

We understand the violations as identified by the Council and recognize the need to correct them. We do hereby request a period of 365 days from date of this letter to return this facility into compliance with WWQRR, Chapter 17, providing we are still the owners of record at that time. We also request postponement or cancellation of the Red Tagging Order until May 1, 2011, to allow for the possible sell of gasoline and diesel thru the winter season of 2010-2011. There is a demand from the public for gasoline and/or diesel. Now that winter has set in, there is no way to conduct an MSA or to upgrade the AST until late spring or summer. The requested time frame would give us time to bring the facilities into compliance.

It is our intention to remain a good citizen to the people of Albany County and the State of Wyoming and we appreciate your consideration of our requests.

Thank you.

Sincerely,



B. E. McCardle, Jr.
CFO/Secretary