

**DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

NOTICE OF VIOLATION

**IN THE MATTER OF THE NOTICE OF)
VIOLATION ISSUED TO)
Strathmore Resources U.S. Ltd)
4001 Office Court, Suite 602)
Santa Fe, NM 87507)
RE: Drilling Notification 354DN)**

DOCKET NO. 4292-08

NOTICE

NOTICE IS HEREBY GIVEN THAT:

1. Notice of Violation is being sent to you pursuant to W.S. §35-11-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.

2. On June 9, 2008 an Inspection of the Sky Property Exploration Project, 354DN was conducted by Melissa L. Bautz of the Wyoming Department of Environmental Quality - Land Quality Division, District II office. That inspection was summarized in a report dated June 10, 2008. The Sky Property is located in Sections 1 and 2 in T.31N R.95W as well as Section 35 in T.32N, R.95W, Fremont County, Wyoming.

3. W.S. §35-11-415(b)(iii) states "*The operator...shall...Protect the removed and segregated topsoil from wind and water erosion, and from acid or toxic materials, and preserve such in a usable condition for sustaining vegetation when restored in reclamation.*" The June 9, 2008 Inspection revealed that topsoil and subsoil were inadequately separated and that topsoil had been contaminated by subsoil which is a violation of W.S. §35-11-415(b)(iii).

4. W.S. §35-11-404(h) states "*The drill hole should be capped immediately following the drilling and probing. If it is necessary to temporarily delay the capping or keep the hole open for any reason, the drill hole must be securely covered in a manner which will prevent injury to persons or animals.*" The June 9, 2008 Inspection noted three instances of a failure to securely cover boreholes which is in violation of W.S. §35-11-404(h).

5. W.S. §35-11-404(c)(iii) states that "*Any hole drilled shall be abandoned in the following manner. 'Surface Cap'. Each drill hole is to be completely filled to the collar of the hole or securely capped at a minimum depth of two (2) feet below either the original land surface or the collar of the hole, whichever is at the lower elevation. If capped, the cap is to be made of concrete or other material satisfactory for such capping. The hole shall be backfilled above the cap to the original land surface;*" The June 9, 2008 Inspection noted three instances of a failure to install an adequate "surface cap" which is in violation of W.S. §35-11-404(c)(iii).

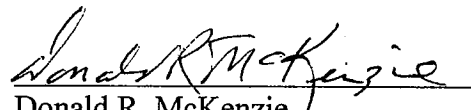
6. W.S. §35-11-404(c)(ii) states "*'Sealing'. Drill holes which have encountered any ground water shall be sealed by leaving a column of drilling mud in the hold or by such other sealing procedure which is adequate to prevent fluid communication between aquifers;*" The June 9, 2008 Inspection revealed three instances of a failure to adequately cap/secure drill holes that were in the process of being completed as wells which is in violation of §WS 35-11-404(c)(ii).

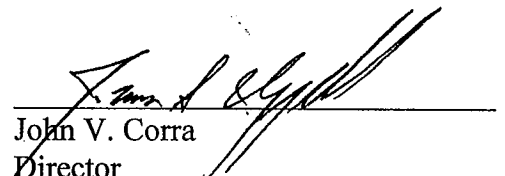
7. W.S. §35-11-415 (b)(vii) states "*The operator...shall...Prevent...pollution of surface and subsurface waters on the land affected by...the casing, sealing of boreholes, shafts, and wells so that no pollution is allowed to drain untreated into surface or subsurface ...*". The June 9, 2008 Inspection revealed six instances of wells or bore holes being in direct communication with the ground surface and/or air, which has the potential to allow pollution into the subsurface. This is a violation of W.S. §35-11-415 (b)(vii).

8. The Land Quality Division (LQD) Noncoal Rules and Regulations Chapter 8, Section 2 (b)(i) states "*Excess drilling mud and drill cuttings or any acid-forming or toxic materials uncovered during or created by exploration by drilling shall be properly disposed of so as not to constitute a fire, health, or safety hazard during or after the exploration by drilling.*" The June 9, 2008 Inspection revealed several instances of the failure to ensure the safety of the public and wildlife in the form of poorly maintained fencing which enabled cattle to enter into the mud pit areas and in a specific instance, one calf became trapped in a mud pit. This is a violation of LQD Noncoal Rules and Regulations Chapter 8, Section 2 (b)(i).

9. W.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 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.

DATED THIS 16th day of June, 2008.


Donald R. McKenzie
Administrator
Land Quality Division


John V. Corra
Director
Department of Environmental Quality

PLEASE DIRECT ALL INQUIRIES regarding this Notice of Violation to Mark Moxley, Land Quality District 2 Supervisor, 510 Meadowview Dr., Lander, Wyoming 82520, telephone (307) 332-3047.

Attachment: June 10, 2008, Inspection Report