



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Table with 2 columns: Name, Title. Row 1: Steve Demczak, Environmental Scientist III. Row 2: Priscilla Burton, Environmental Scientist III.

Inspection Report

Table with 2 columns: Field, Value. Fields include Permit Number (C9999999), Inspection Type (COURTESY), Inspection Date (Wednesday, September 28, 2005), Start Date/Time (9/28/2005 2:00:00 PM), End Date/Time (9/28/2005 2:30:00 PM), Last Inspection (Wednesday, June 15, 2005).

Inspector: Priscilla Burton, Environmental Scientist III

Weather: partly cloudy, blustery day 65 F

InspectionID Report Number: 752

Accepted by: whedberg
11/7/2005

Permittee:
Operator:
Site: SPECIAL PROJECT
Address:
County: OTHER
Permit Type:
Permit Status:

Table with 3 columns: Current Acreages, Mineral Ownership, Types of Operations. Includes checkboxes for Federal, State, County, Fee, Other and Underground, Surface, Loadout, Processing, Reprocessing.

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The site is located at 1865 South Ridge Road; Wellington, UT. As a follow-up to June 15, 2005 inspection, the Division is gathering information on the proposed process to evaluate whether the site will be permitted. In addition to the Price Field Office inspectors listed below, the following persons from the Division were present during this inspection: Mary Ann Wright, Steve Alder, Kelly Beard, Vicki Southwick. Keith Thompson represented Headwaters Energy Services (parent company to Covol) and Mike Gibson represented Covol Engineered Fuels, LC, the operator of the facility.

Inspector's Signature

Date Monday, October 03, 2005

Priscilla Burton, Environmental Scientist III
Inspector ID Number: 37

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The site is located on a ridge within Wellington City limits. The area is zoned for industrial development. A Wellington city business license was issued on 7/18/2005. The site is adjacent to Miller Creek, a tributary to the Price River. Covol Engineered Fuels, LC is managing the construction of the 20 acre site. A start up date of November 15, 2005 was mentioned. Mr. Thompson and Mr. Gibson showed us a diagram of the proposed site. Coal will be trucked to the site on contract. All trucking will be on contract. The coal will be crushed to 2 minus. The crushed and screened coal will be processed with air jigs in bag houses to separate out the waste. A waste stockpile was pointed out on a diagram of the site. The waste will be sold, if possible or returned to the location of origin. Two contracts are in place, one with Commonwealth Coal (an eastern coal broker) and one with PacifiCorp. With the proximity of the Savage rail lines, the treated coal could be shipped to California and as far east as Tennessee.

**2. Signs and Markers**

Terra Systems, Inc. is no longer on the office trailer sign.

**3. Topsoil**

A windrow of topsoil runs along the western edge of the site.

**4.e Hydrologic Balance: Effluent Limitations**

Storm water discharge permit UTR 100000, issued October 1, 2002.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

MSHA ID #42-02398. The coal stockpile onsite is about 30,000 yd<sup>3</sup>.

**20. Air Quality Permit**

DAQE - IN2952003-05 issued June 2005.

**22. Other**

This site is regulated and inspected by MSHA; since crushing and screening of coal is conducted by Covol. This is a coal processing facility that uses air to segregate rock out of coal, thus, reducing the ash content of the coal.