

COAL SYSTEMS, Inc.

CONSULTANTS/ENGINEERS

L. G. MANWARING, P.E.
PresidentP.O. BOX 17117
SALT LAKE CITY, UTAH 84117Area Code 801
261-4500

March 30, 1990

RECEIVED
MAR 30 1990DIVISION OF
OIL, GAS & MINING

Mr. Lowell P. Braxton
Associate Director of Mining
DIVISION OF OIL, GAS, AND MINING
3 Triad Center, #350
Salt Lake City, Ut. 84180-1203

Re: Wellington Preparation Plant
Permit ACT/007/012
-1989 Annual Report-

Dear Mr. Braxton:

Enclosed please find the 1989 Annual Report for the Wellington Preparation Plant in compliance with UMC 784.

Unless otherwise stated, the majority of the text included was acquired from the "Revised Application for Permit Revision and Incidental Boundary Change (11/1/89 submittal)". If you desire more information, the drawings included in our "As-Built Facilities of Genwal's Wellington Coal Load-Out Facility (2/23/90 submittal)" show the details on the new construction which has taken place since Castle Valley's acquisition of the property.

As you are aware, the property which was owned by U.S. Steel was purchased by Kaiser Coal Corp. Subsequently Kaiser filed for bankruptcy and Castle Valley Resources Inc., a subsidiary of Nevada Electric Investment Co. (NEICO), purchased the property from bankruptcy court. Under this new ownership, the plant which had been idle for an extended period of time, started operation of Phase I in a plan to utilize some of the facility.

At this time, we are evaluating several activity changes for the Operation Plan. We have included a discussion in the Permit Status Section of the report just to keep you up-to-date on the plans and changes that are underway at this time.



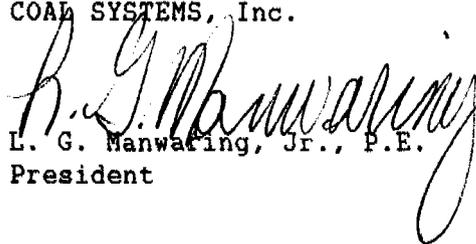
L. Braxton
3/30/90
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We would ask your forbearance regarding the acquisition of some of the figures and data since they are extremely difficult to locate and obtain due to the situation over the past several years. Also, at this time we are in the process of reviewing and re-submitting applications to bring all phases of the facility up to a good and current operations and reclamation plan.

Thank you for your cooperation and consideration of the situation. If you have any questions, please contact us.

Sincerely,

COAL SYSTEMS, Inc.


L. G. Manwaring, Jr., P.E.
President

LGM/lc
Enclosure

cc: C. Manzanares - Wellington Plant
R. Mower - Castle Valley Resources, Inc.
D. Schwehr - Nevada Power Company