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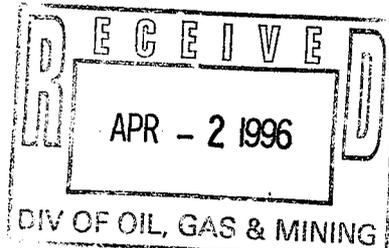
MT NEBO SCIENTIFIC, INC.

research & consulting

VIA: HAND DELIVERED

April 2, 1996

Mr. Joseph Helfrich
STATE OF UTAH
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180



- RE: Asbestos/Bond at the Wellington Preparation Plant (ACT/007/012)

#2
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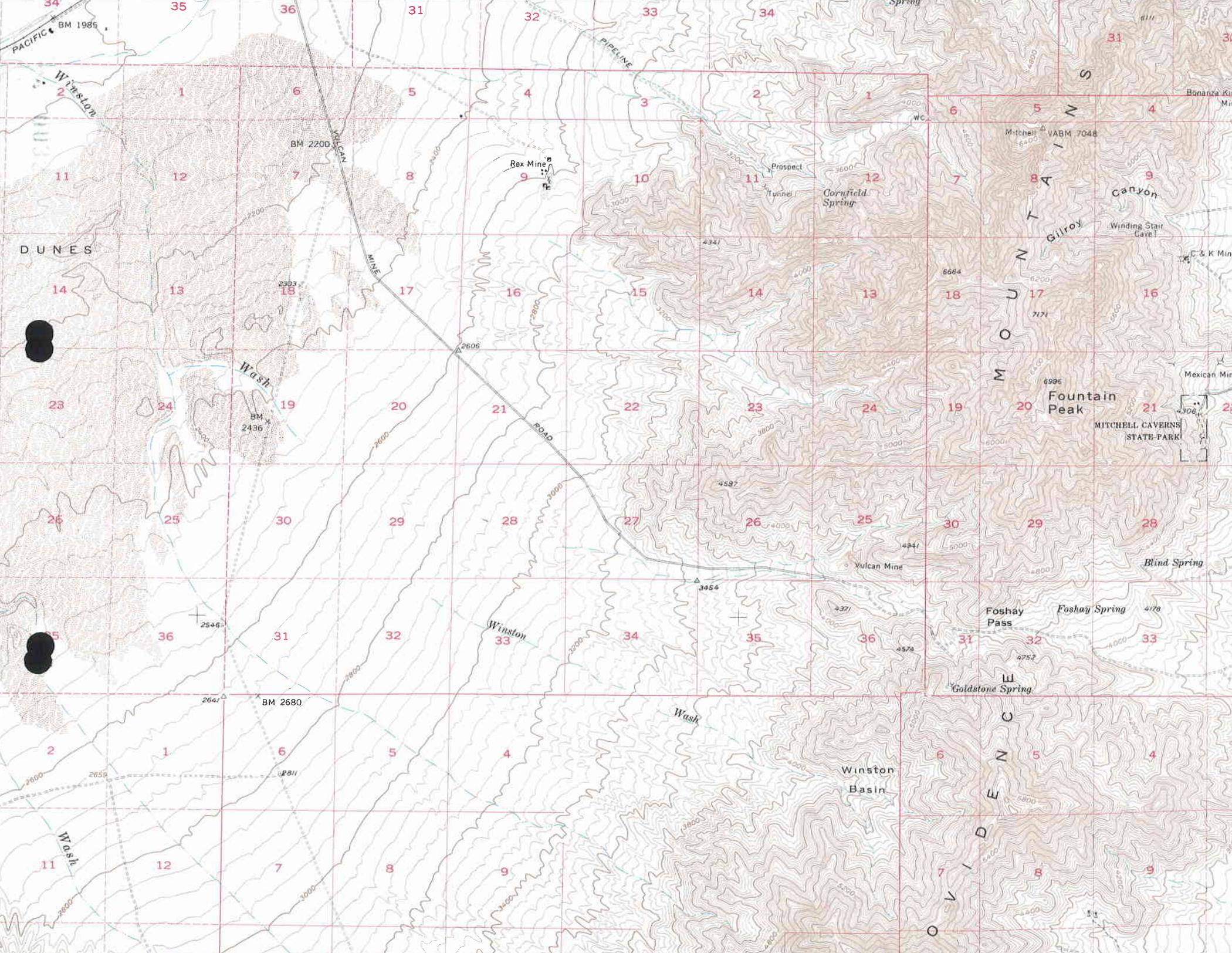
Dear Mr. Helfrich:

In a recent telephone conversation you asked me to provide available information concerning the on-site asbestos at the Wellington Preparation Plant and costs associated with removing it at the time of final reclamation.

As you know, Nevada Power Company, the parent company for NEICO, has recently hired a qualified team to dispose of some asbestos found on the site of which resulted in a Cessation Order (CO) by the Division. The abatement activities were completed on March 20, 1996. I have included a interoffice memorandum from Mary Cunningham that describes the clean-up activities. This letter was also provided to Mr. James Carter at an informal conference conducted at the Division on March 26, 1996.

Additionally, Nevada Power Company has been negotiating the sale of the property at Wellington with several potential buyers. In the course of these negotiations the asbestos issue has been brought up as a potential liability factor. Clearly, asbestos and its removal and liability has been the focus of much of our recent attention at Wellington. Therefore, one of the buyers recently arranged for asbestos contractors to provide them with bids to remove *all* asbestos from the site. This information was provided to me from Mr. Dennis Schwehr, Director, Environmental, Health & Safety at Nevada Power Company. Mr. Schwehr has provided me with a letter (enclosed) disclosing the amount to remove the asbestos at Wellington to be "in the \$40,000 to \$50,000 range".

For several reasons described to you on the telephone (i.e. salvage value was not considered in the bond estimate), plus the fact that the bond includes over \$1,300,000 for indirect costs and over \$393,000 in contingency fees (see summary



included) -- we feel that the bond is more than adequate and need not be increased for asbestos removal.

Please call me with your questions or comments concerning this matter.

Sincerely,



Patrick D. Collins, Ph.D.
Resident/Environmental Consultant

Enclosures

cc: R. Hinckley (NEICO)
D. Schwehr (NEICO)
S. Demczak (DOGM)