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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 30, 1996

CERTIFIED RETURN RECEIPT
P 074 979 446

Patrick D. Collins, Ph.D.
Nevada Electric Investment Company
Mt. Nebo Scientific, Inc.
P.O. Box 337
Springville, Utah 84663

Re: Proposed Assessment for State Violation No. C-96-39-1-1, Nevada Electric Investment Company, Wellington Prep Plant Mine, ACT/007/012, Folder #5, Carbon County, Utah

Dear Mr. Collins:

The undersigned has been appointed by the Board of Oil, Gas and Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed is the proposed civil penalty assessment for the above-referenced violation. The violation was issued by Division Inspector, Steve Demczak on January 11, 1996. Rule R645-401-600 et. sec. has been utilized to formulate the proposed penalty. By these rules, any written information which was submitted by you or your agent, within fifteen (15) days of receipt of the Notice of Violation, has been considered in determining the facts surrounding the violation and the amount of penalty.

Under R645-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of this violation, you should file a written request for an Informal Conference within 30 days of receipt of this letter. This conference will be conducted by the Division Director. This Informal Conference is distinct from the Assessment Conference regarding the proposed penalty.

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

Print your name, address and ZIP Code in the space below.
Complete items 1, 2, 3, and 4 on the reverse.
Attach to front of article if space permits, otherwise affix to back of article.
Endorse article "Return Receipt Requested" adjacent to number.



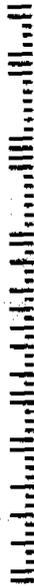
PENALTY FOR PRIVATE USE, \$300

RETURN



Print Sender's name, address, and ZIP Code in the space below.

DIVIOOB 841011035 15996 006/10/96
NOTIFY SENDER OF NEW ADDRESS
& DIVISION OF OIL GAS & MINING
PO BOX K45801
SALT LAKE CITY UT 84114-5801



3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return postage fee will provide you with the name of the person delivered to and the date of delivery. For additional services, the following services are available. Consult postmaster for rate and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge)

2. Restricted Delivery (Extra charge)

3. Article Addressed to:
PATRICK D COLLINS
NEICO
MT NEBO SCIENTIFIC
PO BOX 337
SPRINGVILLE UT 84663

4. Article Number
P 074 979 446

Type of Service:
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

Always obtain signature of addressee or agent, and DATE DELIVERED.

5. Signature - Address
X *Patrick Collins*

6. Signature - Return
X *Patrick Collins*

7. Date of Delivery
6/10/96

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar 1988 U.S.G.P.C. 1003-212-866 DOMESTIC RETURN RECEIPT

BB DOGM AGT/007/012 C96-39-1-1 FLD 5 5/30/96

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

P 074 979 446

SENT TO
PATRICK D COLLINS
NEICO
PO BOX 337
SPRINGVILLE UT 84663

P.O. State and ZIP Code

Postage \$

Certified Fee

Special Delivery Fee

Restricted Delivery Fee

Return Receipt to whom and Date Delivered

Date and Address of Returner

Return Receipt for Merchandise

TOTAL Postage and Fees

Postmark or Date

OFFICE OF MAIN MAIL CENTER
MAY 30 1996
SALT LAKE CITY, UT
USPS

PS Form 3800, June 1985

STICK POSTAGE STAMPS TO ARTICLES TO COVER FIRST CLASS POSTAGE.
CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (See form)

- If you want this receipt postmarked, stick the guarantee stub to the right of the return address leaving the receipt attached and present the article at a post office service window or hand it to your retail carrier for extra charge.
- If you do not want this receipt postmarked, stick the guarantee stub to the right of the return address of the article, date, detach and retain the receipt, and mail the article.
- If you want a return receipt with the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article RETURN RECEIPT REQUESTED adjacent to the number.
- If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse RESTRICTED DELIVERY on the front of the article.
- Entry fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
- Save this receipt and present it if you make inquiry.

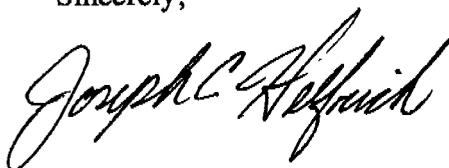
U.S.G.P.C. 1003-212-433

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C-96-39-1-1
ACT/007/012
May 30, 1996

2. If you wish to review the proposed penalty assessment, you should file a written request for an Assessment Conference within 30 days of receipt of this letter. If you are also requesting a review of the fact of violation, as noted in paragraph 1, the Assessment Conference will be scheduled immediately following that review.

If a timely request for review is not made, the fact of violation will stand, the proposed penalty(ies) will become final, and the penalty(ies) will be due and payable within thirty (30) days of the proposed assessment. Please remit payment to the Division, mail c/o Vicki Bailey.

Sincerely,



Joseph C. Helfrich
Assessment Officer

blb
Enclosure

cc: James Fulton, OSM
Vicki Bailey, DOGM

WORKSHEET FOR ASSESSMENT OF PENALTIES
UTAH DIVISION OF OIL, GAS AND MINING

COMPANY/MINE NEICO/Wellington Prep Plant NOV# C-96-39-1-1

PERMIT# ACT/007/012 VIOLATION 1 OF 1

ASSESSMENT DATE 5/21/96 ASSESSMENT OFFICER Joseph C. Helfrich

I. HISTORY MAX 25 PTS

A. Are there previous violations which are not pending or vacated, which fall within 1 year of today's date?

ASSESSMENT DATE 5/22/95 EFFECTIVE ON YEAR TO DATE 5/22/96

PREVIOUS VIOLATIONS	EFFECTIVE DATE	POINTS
_____	_____	_____
_____	_____	_____
_____	_____	_____

1 point for each past violation, up to one year
5 points for each past violation in a CO, up to one year
No pending notices shall be counted

TOTAL HISTORY POINTS _____

II. SERIOUSNESS (Either A or B)

NOTE: For assignment of points in Parts II and III, the following applies. Based on the facts supplied by the inspector, the Assessment Officer will determine within which category the violation falls. Beginning at the mid-point of the category, the AO will adjust the points up or down, utilizing the inspector's and operator's statements as guiding documents.

Is this an Event (A) or Hindrance (B) violation? 4 Events (A)

A. Event Violations MAX 45 PTS

- What is the event which the violated standard was designed to prevent? Injury to the public (public safety), Damage to property, Conducting activities without appropriate approvals, Environmental harm.
- What is the probability of the occurrence of the event which a violated standard was designed to prevent?

PROBABILITY	RANGE
None	0
Unlikely	1-9
Likely	10-19
Occurred	20

ASSIGN PROBABILITY OF OCCURRENCE POINTS 59

Public Injury 19 Points
Damage 0 Points
Conducting Activities 20 Points
Environmental harm 20 Points

PROVIDE AN EXPLANATION OF POINTS

Of the 4 events referenced Environmental harm and Conducting activities without appropriate approvals did occur. Damage to property is unlikely, Injury to the public is likely, the likelihood of injury to the public would have resulted from the improper handling of the asbestos material.

3. What is the extent of actual or potential damage?

RANGE 0-25*

In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

ASSIGN DAMAGE POINTS 12

PROVIDE AN EXPLANATION OF POINTS

The actual amount of damage to the public cannot be quantified however, the improper handling or removal of asbestos without the aid of proper equipment would result in some degree of damage to the individuals handling the material. Medical reports of the individuals involved with the handling, of the asbestos material, would be given consideration in further evaluation of this assessment.

B. Hindrane Violations MAX 25 PTS

1. Is this a potential or actual hindrance to enforcement? _____

RANGE 0-25

Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

ASSIGN HINDRANCE POINTS _____

PROVIDE AN EXPLANATION OF POINTS

TOTAL SERIOUSNESS POINTS (A OR B) 71

III. NEGLIGENCE MAX 30 PTS

- A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? IF SO - NO NEGLIGENCE: OR Was this a failure of a permittee to prevent the occurrence of a violation due to indifference lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO - NEGLIGENCE;
OR Was this violation the result of reckless, knowing, or intentional conduct?
IF SO - GREATER DEGREE OF FAULT THAN NEGLIGENCE.

No Negligence
Negligence

0
1-15

STATE DEGREE OF NEGLIGENCE _____

ASSIGN NEGLIGENCE POINTS 25

PROVIDE AN EXPLANATION OF POINTS

The permittee is ultimately responsible for all actions within confines of the disturbed and permit areas of the approved permit. The permittee allowed trespass by individuals who knowingly removed the asbestos material.

IV. GOOD FAITH MAX -20 PTS. (Either A or B) (Does not apply to violations requiring no abatement measures)

- A. Did the operator have onsite the resources necessary to achieve compliance of the violated standard within the permit area?
IF SO - EASY ABATEMENT

Easy Abatement Situation

Immediate Compliance -11 to -20*

(Immediately following the issuance of the NOV)

Rapid Compliance -1 to -10

(Permittee used diligence to abate the violation)

Normal Compliance 0

(Operator complied within the abatement period required)

(Operator complied with conditions and/or terms of approved Mining and Reclamation Plan)

*Assign in upper or lower half of range depending on abatement occurring in 1st or 2nd half of abatement period.

- B. Did the permittee not have the resources at hand to achieve compliance OR does the situation require the submission of plans prior to physical activity to achieve compliance?

IF SO - DIFFICULT ABATEMENT

Difficult Abatement Situation

Rapid Compliance -11 to -20*

(Permittee used diligence to abate the violation)

Normal Compliance -1 to -10*

(Operator complied within the abatement period required)

Extended Compliance 0

(Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard, or the plan submitted for abatement was incomplete)

(Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan)

EASY OR DIFFICULT ABATEMENT? _____ ASSIGN GOOD FAITH POINTS -10
PROVIDE AN EXPLANATION OF POINTS

The permittee exercised diligence in abating the violation in lieu of inclement weather conditions.

V. ASSESSMENT SUMMARY FOR

I.	TOTAL HISTORY POINTS	<u>0</u>
II.	TOTAL SERIOUSNESS POINTS	<u>71</u>
III.	TOTAL NEGLIGENCE POINTS	<u>25</u>
IV.	TOTAL GOOD FAITH POINTS	<u>-10</u>

TOTAL ASSESSED POINTS 86

TOTAL ASSESSED FINE \$ 3,480.00

BLB
h:i&c\paf