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EarthCo
1179 E. Main Street #104
Price, Utah 84501
(801) 637-4155
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EarthCo

August 29, 1997

Ms. Pam Grubaugh-Littig
Permit Coordinator
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Bond reduction for Wellington Preparation Plant

Dear Ms. Grubaugh-Littig:

Pursuant to R645-301-880.100 we are applying for Bond Reduction. Nevada Electric Investment Company ("NEICO"). Wellington Preparation Plant, ACT/007/012. The following is a breakdown of the items requested in the Bond Reduction.

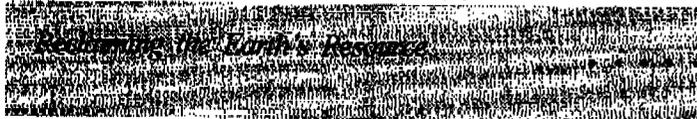
TRACK HOPPER AND RAW COAL CONVEYOR

The track hopper is designed for receiving raw product (coal) for processing. The facility was used for years for accepting raw coal to be washed in the Wellington Preparation Plant. The facility is equipped with conveyors that can mix several different products for processing. At this time there are numerous parties interested in the facility that would use it from processing coal to accepting and processing iron slag. All parties that have inspected the facility have accepted it in it's condition at this time.

The track hopper is located underground within the rail spur associated with the Wellington Preparation Plant. This area will not be reclaimed to the original plan and has been requested to be removed and changed to an "Industrial" status for immediate development (Post Mining Land Use Change - August 1997). The track hopper does not pose any pollution hazards to the environment.

SAND HOPPER

The Sand Hopper is the same type of facility as the Track Hopper only smaller. It is located approximately 200 yards south of the Track Hopper. This facility was used to accept fine sand for the washing of coal at the Wellington Preparation Plant. This facility is equipped with similar equipment as the Track Hopper, only on a smaller scale. It is also located underground within the rail spur at the site. This facility has also been inspected and is acceptable as is for future industrial uses. This area will not be reclaimed to the original plan and has been requested to be removed and changed to an "Industrial" status for immediate development (Post Mining Land Use Change - August 1997). The Sand Hopper does not pose any pollution hazards to the environment.



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PLANT RAILROAD

The Rail Spur located at the Wellington Preparation Plant is one of the largest privately owned spurs in Carbon County, Utah. Over the past 10 years numerous development companies have attempted to develop the associated land and reintroduce the site as an aggressive Industrial area, this would have great impacts on Carbon County and the State of Utah. At this time EARTHCO Inc., has commitments for the immediate development associated with the rail spur. The rail spur has been inspected by Southern Pacific Lines Railroad, and is approved for use following minor upgrades (de-vegetation and cleaning). This area will not be reclaimed to the original plan and has been requested to be removed and changed to an "Industrial" status for immediate development (Post Mining Land use Change - August 1997). The Rail Spur does not pose any pollution hazards to the environment.

SUBSTATION, POWER LINE WEST OF THE PRICE RIVER, NATURAL GAS LINE

These utilities were installed and are maintained by the utility companies supplying the services needed to operate at the Wellington Preparation Plant. These facilities will be put back into service as soon as the Post Mining Land use Change - August 1997 is approved and new construction can begin. This area will not be reclaimed to the original plan and has been requested to be removed and changed to an "Industrial" status for immediate development (Post Mining Land use Change - August 1997). These utilities do not pose any pollution hazards to the environment.

Please forward to the appropriate parties for approval.

Should you have any questions, please feel free to call me at (801) 637-4155.

Sincerely,
EarthCo

Steve Traweek
Sr. Project Manager / Resident Agent - Wellington Preparation Plant

SDT:apb

CC: James Scott
Jerry Stuser
Patrick Collins
Dennis Schwehr

ACT/057/012 #2

EarthCo
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facsimile transmittal

To: Wayne Western Fax: 801-359-3940

From: Steve Traweek Date: August 29, 1997

Re: Pages: 3 (including fax cover sheet)

CC:

Urgent For Review Please Comment Please Reply Please Recycle

Notes: Wayne,

Please review and call me with your comments at 801-637-4155.

Thank You,

Steve

