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

INSPECTION REPORT

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Partial: Complete: XXX Exploration:

Inspection Date & Time: 3/17/2000 / 10:00a.m.-3:00p.m.

Date of Last Inspection: 2/25/2000

Mine Name: Wellington Preparation Plant County: Carbon Permit Number: ACT/007/012
Permittee and/or Operator's Name: Nevada Electric Investment Company (NEICO)
Business Address: c/o Mt. Nebo Scientific, P.O. Box 337, Springville, Utah 84663
Type of Mining Activity: Underground Surface Prep. Plant XXX Other
Company Official(s): Patrick Collins
State Officials(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Clear, Windy, 30's
Existing Acreage: Permitted-1573.5 Disturbed-392 Regraded-1.5 Seeded-1.5 Bonded- 1573.5
Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ XXX Active/ Inactive/ Temporary Cessation/ Bond Forfeiture
Reclamation (Phase I/Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- 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 N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing 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, Division Orders, and amendments.

Table with 5 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows 1-21 listing various permit conditions and their evaluation status.

INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/007/012

DATE OF INSPECTION: 3/17/2000

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT-

The permittee has sent an amendment for bond reduction to the Division. The amendment has been reviewed and a deficiency notice has been sent to the permittee.

2. SIGNS AND MARKERS -

The perimeter markers were spot-checked and are located around the perimeter of the disturbed area.

3. TOPSOIL -

The topsoil piles were inspected with no signs of wind or water erosion. These piles are protected by berms.

4A. DIVERSIONS -

The diversions were spot-checked and were found to comply with the requirements of the Mining and Reclamation Plan and the R645 Coal Rules. The undisturbed diversion on the west side is scheduled for clean out this spring.

4B. SEDIMENT PONDS -

The sediment ponds were not discharging during the inspection and are not likely to discharge in the near future. These ponds did contain a little or no water.

There were no signs of any hazardous conditions occurring to the sediment ponds during the inspection.

The sediment ponds were inspected on October 19 & 30, 1999. The inspections are P.E. certified. The same third and fourth quarter inspections will be used as the annual pond inspection of Wellington Prep.

4C. OTHER SEDIMENT CONTROL MEASURES -

The Wellington Loadout facilities uses straw bales and silt fences as its alternate sediment control measures. These areas were spot-inspected and complied with the R645 Coal Rules.

4D. WATER MONITORING -

Water monitoring for fourth quarter was done on November 10 & 18, 1999. No problems were noted.

Electronic mailing of water monitoring data to the Division will start first quarter of 2000.

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(Continuation sheet)

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4E. EFFLUENT LIMITATIONS -

No UPDES samples were taken for fourth quarter. There was no discharge from the sediment ponds.

5. EXPLOSIVES -

No explosives boxes are on the property.

7. REFUSE PILES -

Refuse pile was inspected with no hazardous conditions being noticed. The slurry ponds were inspected weekly. All refuse piles have been inspected for fourth quarter and are P.E. certified.

8. NON-COAL WASTE -

The area was clear of non-coal waste material.

20. AIR QUALITY -

The air quality permit is being complied with. There are two Air Quality permits for Wellington Prep. Plant. Covol has a separate permit (DAQE-1014-97) and NEICO has a permit (DAQE-997-92). There was no activity on either permit.

21. BONDING AND INSURANCE -

The permit area is 1573.5 acreage and the disturbed area is 392 acres. Exhibit "A" states that the bonded area equals the permit area. The bonding is set at \$4,904,000.

The insurance acord form meets the requirements of the R645 Coal Rules. This policy will expire on October 8, 2000. The insurer is Clarendon Insurance Co.

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

Copy of this Report:

Mailed to: Mt. Nebo Scientific

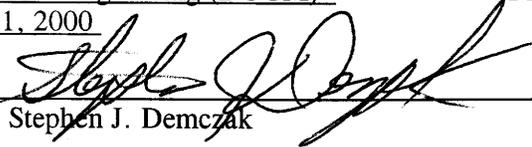
Henry Austin (OSM)

Given to: Pam Grubaugh-Littig (DOGM)

Filed to: Price Field Office

Date: March 21, 2000

Inspector's Signature: _____


Stephen J. Demczak

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