



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

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June 8, 2000

TO: Internal File

FROM: Paul Baker, Reclamation Biologist 

RE: Updated Ownership and Control Information, Nevada Electric Investment Company, Wellington Preparation Plant, ACT/007/012-LF00B

**SUMMARY:**

In a proposal dated June 2, 2000, Nevada Electric Investment Company (NEICO) has proposed to change the ownership and control information for the Wellington Preparation Plant. In July 1999, Nevada Power, the former owner of NEICO, merged with Sierra Pacific Resources, and Sierra Pacific Resources became the sole owner of NEICO. NEICO's officers and directors have changed.

**TECHNICAL ANALYSIS:**

**ADMINISTRATIVE INFORMATION**

**OWNERSHIP AND CONTROL INFORMATION**

Regulatory Reference: R645-301-112

**Analysis:**

In July 1999, Nevada Power and Sierra Pacific Resources merged, and Sierra Pacific Resources became the owner of Nevada Electric Investment Company (NEICO), the permittee for the Wellington Preparation Plant. The permittee and operator remain NEICO, a Nevada corporation. The amendment application indicates Covol Technologies is the operator under a lease on the east side of the property.

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**TECHNICAL MEMO**

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The Division requires full ownership and control information to be in the mining and reclamation plan for an operator, and the application does not contain this information for Covol. The Division has never considered Covol as an operator. The applicant should either provide full ownership and control information for Covol as an operator or clarify that Covol is a contractor authorized under the permittee and operator, NEICO, to extract coal fines.

The resident agent would remain Patrick Collins, and NEICO would be responsible for paying any abandoned mine reclamation fees. The application contains the addresses, telephone numbers, and employer identification numbers for NEICO and Sierra Pacific Resources.

The application also includes the names of the officers and directors of NEICO and Sierra Pacific Resources together with the positions these people hold. The application needs to give the dates these people assumed their positions.

NEICO previously owned 50% of the Crandall Canyon Mine, and the application gives information about this mine. The application needs to discuss whether Sierra Pacific is involved in any other coal mining and reclamation operations. If so, the application would need to include permit numbers and other relevant information about these operations. If not, the application should simply indicate Sierra Pacific does not own or control any other coal mining and reclamation operations.

**Findings:**

Information in the application is not adequate to meet the requirements of this section of the regulations. Prior to final approval, the applicant must supply the following in accordance with:

**R645-301-112.300**, The application should clearly show whether Covol Technologies is considered an operator. If so, the application would need to include complete ownership and control information for this entity. If not, the application should be modified to show they are a contractor authorized to extract coal fines from the east side of the property.

**R645-301-112.330**, The application needs to give the dates the officers and directors of NEICO and Sierra Pacific Resources assumed their positions.

**R645-301-112.340**, The application should state whether Sierra Pacific Resources has owned or controlled any other coal mining and reclamation operation within the past five years. If so, the application would need to contain identifying and violation information for these operations.

**RECOMMENDATIONS:**

The application should not be approved until the deficiencies discussed in this memorandum have been adequately addressed.

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