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

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INSPECTION REPORT

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Partial: XXX Complete: Exploration:
Inspection Date & Time: 8/21/2000 / 10:00a.m.-3:00p.m.
Date of Last Inspection: 7/28/2000

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, Bill Malencik Federal Official(s): None
Weather Conditions: Warm, 80's, Slight Breeze
Existing Acreage: Permitted-1573.5 Disturbed-392 Regraded-1.5 Seeded-1.5
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 4 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows list various permit conditions such as PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; etc.

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

2. SIGNS AND MARKERS -

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

A Notice of Violation 00-39-1-1 was issued for not having the correct phone number on the identification signs located at the main gate entering the Covol's preparation plant. This impeded several citizens from contacting NEICO, permittee of the Wellington Preparation Plant. A resident of Nevada was receiving the phone calls.

This violation was abated during the inspection. The phone number was changed on the sign.

7. REFUSE PILES -

A citizen complaint was made by Mr. Nick Siaperas. He alleges that fugitive dust from the slurry ponds are blowing onto his fields and into his house. An inspection of the Siaperas property was conducted Saturday, August 19, 2000 and a report was filed. Mr. Siaperas was notified that an inspection at the Wellington Preparation Plant would be conducted on Monday, August 21, 2000, Mr. Siaperas did not attend.

The permittee was notified by Mr. Siaperas of dust problems in April or May of this year. The permittee stated that a surfactant was sprayed to cover the roads, pad areas, and the upper and lower slurry ponds totaling about 210 acres. The surfactant was applied on July 4, 2000.

The Wellington Preparation Plant site is currently idle with an occasional pick-up truck used for inspections and environmental maintenance.

The upper sediment pond was walked. The lower pond was not walked but observations were made from a distance.

NOTE: Mr. Siaperas stated in a phone conversation, August 24, 2000, that most of the dust was coming from the upper slurry pond.

The top of the upper slurry pond had a crust but broke as I walked on it, exposing loose coal fines. It was noticed that antelope or deer had broken the crust by walking on the pond. I did not notice any foot tracks left by people who had sprayed surfactant on the slurry pond by hose. I also did not see, on the pond, any dried puddles of surfactant. Dried surfactant was noticed on the roads in several places. The permittee said that the roads were compacted and the surfactant could not be absorbed into the ground whereas the slurry ponds were not compacted.

The surfactant to the lower slurry pond was applied with a truck mounted tank similar to a water truck. There were tire marks on top of the slurry fines. The tire marks were spaced equally up and down the pond. The lower pond has vegetation growth, the upper slurry pond has little or no vegetation.

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Surfactant was observed on the roads and pad areas. The crust from the surfactant made a crunching sound when walking, breaking the clumps of material. A large portion of this area is compacted due to previous equipment use.

We observed that part of the material storage area used by Covol was not sprayed with surfactant. This area is 20 feet by 60 feet and is next to the Covol's preparation plant.

8. NON-COAL WASTE -

The permittee will be removing eleven 55-gallon drums located at the Covol Preparation Plant. These drums contained chemicals for processing the coal. No drums were leaking.

20. AIR QUALITY -

Covol (DAQE-1014-97) and NEICO (DAQE-997-92) have separate Air Quality permits for the Wellington Preparation Plant.

Inspector's Signature:  #39 Date August 30, 2000
Stephen J. Demczak

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

cc: James Fulton, OSM
Patrick Collins, Mt. Nebo, NEICO
Price Field office
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