



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

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INSPECTION REPORT

Handwritten initials/signature

Partial: ___ Complete: XXX Exploration: ___
Inspection Date & Time: 08/24/2001 / 10:30AM-2:20PM
Date of Last Inspection: 07/20/2001

Mine Name: Wellington Preparation Plant County: Carbon Permit Number: C/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 Official(s): Stephen J. Demczak, Karl Housekeeper Federal Official(s): None
Weather Conditions: Warm, 80's
Existing Acreage: Permitted 1573.5 Disturbed 392 Regraded ___ Seeded ___
Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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 include categories like PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK; AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/012

DATE OF INSPECTION: 08/24/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

No new amendments have been sent to the Division by the permittee.

2. SIGNS AND MARKERS

Spot-checks of the disturbed area markers were made throughout the property. The permittee was in compliance.

3. TOPSOIL

The topsoil piles were inspected and there were no signs of wind or water erosion. The topsoil piles are surrounded by berms.

4A. HYDROLOGIC BALANCE: 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 located above the westside property will need to be cleaned out in the near future. A recent rain storm has caused some sediment to build-up and erosion has occurred.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

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 during the inspection. The sediment ponds were inspected on June 27, 2001, on the west side and May 29, 2001 on the east side. The inspections are P.E. certified for the east side. The Dryer and Loadout Sediment Ponds may need to be cleaned out this year. The sediment ponds are approaching 60 percent of capacity.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Siltation structures were inspected and complied the R645 Coal Rules. The permittee uses straw bales and silt fences in the disturbed area.

4D. HYDROLOGIC BALANCE: WATER MONITORING

First quarter water monitoring was reviewed. It consisted of checking parameters, sampling at required site locations, and holding time requirements for water samples. No problems were found with the requirements in the R645 Coal Rules and the MRP. The permittee has submitted all information for first quarter into the water electronic database system. This was confirmed by checking the water database by the inspector. The second quarter water monitoring samples have been taken but have not been submitted to the Division. This information will be submitted to the Division by the end of the third quarter. The third quarter water samples are being taken.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/012

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4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

There were no discharges from UPDES sample points for second quarter.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Refuse pile was inspected with no hazardous conditions being noticed. The slurry ponds were inspected weekly. All refuse piles have been inspected for second quarter. This report is P.E. certified. No dust was seen during the inspection.

8. NONCOAL WASTE

The area was clear of non-coal waste material.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

No new support facilities were built since the last inspection.

20. AIR QUALITY PERMIT

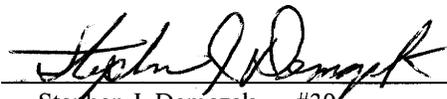
The permittee is in compliance with the air quality permit. There are two Air Quality permits for Wellington Prep. Plant. The east side of the Price River has a separate permit (DAQE-1014-97) and west side of the Price River has a permit (DAQE-997-92).

21. BONDING AND INSURANCE

The permit area is 1573.5 acres 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 policy was inspected and complies with the coal rules. The policy covers explosives. The insurance will expire on February 9, 2002. The insurance is being carried by Scottsdale Insurance Co.

Inspector's Signature: _____


Stephen J. Demczak #39

Date: August 27, 2001

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

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

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