



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial _____ Complete XXX Exploration _____

Inspection Date: 11/22/2002 Time: 10:00am-2:30pm

Date of Last Inspection: 10/31/2002

Mine Name: Wellington Prep 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

Company Official(s): Patrick Collins

State Official(s): Stephen J. Demczak Federal Official(s): None

Weather Conditions: Cool, 30's

Type of Mining Activity: Underground _____ Surface _____ Prep Plant XXX Other _____

Existing Acreage: Permitted 1573.5 Disturbed 392 Regraded _____ Seeded _____

Status: Active

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.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/012

DATE OF INSPECTION: 11/22/2002

(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. However, the permittee will be submitting a bond release application to readjust the bond for the Wellington site. The permittee in the past has removed several buildings and the bond has not been adjusted to reflect the changes on the ground.

2. SIGNS AND MARKERS

The signs and markers were inspected and reflect the correct information required in the R645 Coal Rules.

3. TOPSOIL

The topsoil piles were inspected with no signs of erosion from wind or rain occurring.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions were spot-checked and the undisturbed diversion on the Westside of the property has collected sediment from rainstorms. There are also several rills on the slope of the diversion caused by the high amount of surface water flow. The diversion has been wet and muddy and needs to be dried out. The diversion is functional and still can handle the required storm events. The permittee will repair the diversion once the material dries out.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment ponds were inspected for the third quarter by the permittee. The report noted no hazardous conditions. This inspection occurred on September 26, 2002. The sediment ponds do contain water but are unlikely to discharge in the near future.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The silt fences and straw bales were inspected and complied with the permit and the R645 Coal Rules.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The third quarter monitoring has been completed and submitted to the Division electronically. The permittee has taken fourth quarter water samples and are currently at the lab to be analyzed.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

There were no discharges for the third quarter.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The refuse pile was inspected by the permittee on September 20, 2002. No hazardous conditions were reported. This report was P.E. certified. The permittee has taken the weekly inspections for the slurry ponds.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/012

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8. NONCOAL WASTE

The area was clear of non-coal waste material.

18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

No new construction occurred since the last inspection.

20. AIR QUALITY PERMIT

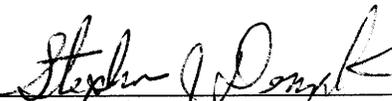
The permittee is in compliance with the air quality permit. There are two Air Quality permits for Wellington Prep. Plant. The east side of the Price River has a separate permit (DAQE-1014-97) and west side of the Price River has a permit (DAQE-997-92).

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, 2003. The insurance is being carried by Scottsdale Insurance Co.

Inspector's Signature: _____


Stephen J. Demczak #39

Date: December 4, 2002

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 for NEICO
Price Field office

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