

INSPECTION REPORT

Partial Complete XXX Exploration
 Inspection Date: 06/30/2003 Time: 10:00am-1:30pm
 Date of Last Inspection: 05/29/2003

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): Gregg A. Galecki Federal Official(s): None
 Weather Conditions: Clear, South breeze, ~95° F.
 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 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 checked="" 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: 06/30/2003

(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. Term of the 'General' permit is December 10, 1999 through December 10, 2004. The current UPDES permit expires April 30, 2008. Copies of the 'General', UPDES, and Air Quality permits were all 'on hand'.

2. SIGNS AND MARKERS

The required signage was appropriately located at the facility entrances. The signs were recently updated to reflect current contact telephone numbers.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions were spot-checked and the undisturbed diversion on the Westside of the property had been repaired during the 2nd quarter 2003 (calendar year). Many sections of the side-slopes of the ditch were stabilized/armored with rock and fill material to maintain compliance and eliminate rills. Brush and debris was also cleared in the ditch.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment ponds were inspected for the 1st quarter (calendar year) on March 27, 2003. The reports noted no hazardous conditions. For each pond a field sheet is filled out which addresses erosion problems, inlet and outlet conditions, embankments, weather, water status, and other notes. The sediment ponds were dry or essentially dry; no discharge is anticipated from any of the ponds in the foreseeable future.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Siltation structures were inspected per the R645 Coal Rules. The permittee uses straw bales and silt fences in the disturbed area. Silt fences located along the Siaperas ditch were repaired during the calendar year 1st quarter. Other sections still need to be replaced due to weather damage. All silt fences that were spot-checked were functioning adequately.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The 1st quarter (calendar year) monitoring has been completed and submitted to the Division electronically; hard copies of laboratory analysis were 'on-hand'. The permittee has conducted the 2nd quarter (calendar year) water monitoring and are currently at the lab to be analyzed.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

There were no discharges for the 1st quarter or 2nd quarter (calendar year) reported.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/012

DATE OF INSPECTION: 06/30/2003

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Both the Coarse Plant Refuse (west side), and Pond Refuse (east side) piles were inspected by the permittee on March 20, 2003. No hazardous conditions were reported. This report was P.E. certified. The permittee has taken the weekly inspections for the slurry ponds.

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.

19. AVS CHECK (4th Quarter – April, May, June)

An AVS check was conducted on April 17, 2003. No recent violations or changes in ownership were noted. Mr. Patrick Collins confirmed no changes in ownership have taken place.

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, effective January 12, 2000. The bond amount is adequate because the bond has not been reduced for reclamation that has already occurred (i.e., removal of buildings, backfilling and grading). The remaining reclamation can be adequately completed with the bond amount.

The insurance policy was inspected and complies with the coal rules. The policy covers explosives. The current insurance term is February 3, 2003 through February 9, 2004. The insurance is being carried by Scottsdale Insurance Co.

Inspector's Signature: _____ Date: July 8, 2003
Gregg A. Galecki #48

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, via email
Price Field office
O:\007012.WEL\Compliance\2003\c_0630.doc