



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Table with 2 columns: Role, Name. Rows: OGM Priscilla Burton Environmental Scientist III, Company Patrick D. Collins Resident Agent

Inspection Report

Table with 2 columns: Field, Value. Fields: Permit Number, Inspection Type, Inspection Date, Start Date/Time, End Date/Time, Last Inspection

Inspector: Priscilla Burton, Environmental Scientist III

Weather: overcast 40 F, drizzling at 1 pm

InspectionID Report Number: 911

Accepted by: whedberg
4/4/2006

Permittee: NEVADA ELECTRIC INVESTMENT CO
Operator: NEVADA ELECTRIC INVESTMENT CO
Site: WELLINGTON PREPARATION PLANT
Address: 330 E 400 S STE 6, PO BOX 337 SPRINGVILLE UT 84663
County: CARBON
Permit Type: PERMANENT COAL PROGRAM
Permit Status: ACTIVE

Current Acreages

Table with 2 columns: Value, Description. Rows: 1,573.50 Total Permitted, 392.00 Total Disturbed, Phase I, Phase II, Phase III

Mineral Ownership

- Federal, State, County, Fee, Other

Types of Operations

- Underground, Surface, Loadout, Processing, Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Confirmed fourth quarter monitoring was conducted. Confirmed progress is being made towards compiling AVS information for Annual Report. In Division files, found an archived map E9-3341 showing location of clearwater (buried) pipeline. Discussed possible scenarios for water flowing through this pipeline to the Dryer pond.

Determined that this pipeline must be retained on current Map E9-3341 with explanation of water inflow to Dryer pond included in the MRP. R645-301-748 and 765 require that if a water well is exposed during reclamation, it will be closed. Therefore, final sealing of the Price River Water well and the "open ended pipe" must be completed in this next field season.

Inspector's Signature:

Date Tuesday, March 28, 2006

Priscilla Burton, Environmental Scientist III

Inspector ID Number: 37

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

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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
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 type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: 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	<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 type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The Mining and Reclamation Permit was issued 12/10/2004 to Nevada Electric Investment Corp., Nevada (corporate offices in both Reno and Las Vegas). The permit expires in 2008.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Fourth quarter pond certifications were done on October 26, 2005. All ponds were dry except the roadside pond which had four inches of water and the dryer pond which had 3.0 ft of water. Water level between the dryer pond and the source of inflow has reached equilibrium and the water is standing.

4.d Hydrologic Balance: Water Monitoring

The dryer pond was sampled February 22, 2006. Major cations are Ca, Mg, Na. Major anions are CO₃ and HCO₃. The total iron in the dryer pond water was compared to surface and ground water sampled during the 4th quarter on November 17, 2005: GW10 = 11 ppm, dryer pond = 3 ppm, and SW2A = 0.88 ppm total Fe. Water quality upstream and downstream of the pump house reclamation was compared. There was no difference in pH and TDS for the two locations.

7. Coal Mine Waste, Refuse Piles, Impoundments

The two MSHA waste piles were inspected on October 26, 2005 by Mr. Dan Guy.

18. Support Facilities, Utility Installations

An archived map E9-3341 (in the Division files) shows the location of the (buried) clearwater pipeline. This map was drawn in 1981. The buried clearwater pipeline is shown coming from the reclaimed Price River pumphouse across the Price River and along the south side of the river, turning under the railroad tracks to the auxiliary pond. [The existing map E93341 references the pipeline, but does not show its course.] A second map E9-3430 in the MRP provides a schematic in overview and cross section of the pumphouse and related Price River water well and the buried pipeline. Section 5.30 of the MRP describes the filling of the Auxiliary Pond with water directly from the clear water pipeline. [The Auxiliary Pond is adjacent to the Dryer pond.] Enlargement of the dryer pond in 1998 inadvertently removed a section of this buried pipeline. The Division was unaware of the break in the pipe until January 2005, when water was noted entering the Dryer pond through a culvert that was not shown on the Dryer pond schematic.

The Price River pumphouse was reclaimed in 2004. As described in Sec. 5.26 of the MRP, the foundation of the Price River pumphouse and "pipeline end" was retained for future use. After chasing the source of water flowing into the Dryer pond around for a year, Mr. Collins and I surmise that due to the high water year last year and without active pumping by the COVOL or NEICO operations, the water level in the Price River water well has filled to the level of the "pipeline end" left during reclamation and begun gravity flow and discharge into the Dryer pond.

Final reclamation of the Price River Water Collection well is described in the MRP Sec. 5.42.2, item 2, but this was not done during contemporaneous reclamation of the Pumphouse. R645-301-748 and 765 require that if a water well is exposed during reclamation, it will be closed. Therefore, final sealing of the Price River Water well and the "open ended pipe" must be completed in this next field season.

In the mean time, Mr. Collins will GPS the level of the water in the dryer pond and that of the Price River water well (GG on map E93341); the Price River Water well and the course of the pipeline will be replaced on current Map E9-3341; and a "most likely" explanation of the water source (surface or ground water inflow) to the Dryer pond will be described in the MRP along with an accounting of the volume of water impounded. The MRP indicates that NEICO owns 10 cfs of Price River water rights for industrial use (Sec. 7.27) and 5.197 cfs ground water rights on the Price River Water Well (Table 7.24-1).

19. AVS Check

Mr. Collins received the requested information from NEICO Corporate headquarters yesterday. The information will be provided in the 2005 Annual Report.