0013

file in PIC
C/007/0002

UTAH
DNR
OIL, GAS & MINING

ASSESSMENT CONFERENCE
regarding
NOTICE OF VIOLATION NO-06-37-1-1

Issued July 7, 2006
Wellington Preparation Plant

0016

MT NEBO SCIENTIFIC, INC.
research & consulting

RECEIVED
SEP 05 2006
DIV. OF OIL, GAS & MINING

VIA: U.S. Mail & E-Mail

September 1, 2006

Utah Coal Regulatory Program
STATE OF UTAH
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RECEIVED
SEP 18 2006
OGM PRICE FIELD OFFICE

Incoming
C/007/0012

Copy Priscilla,
Vickie Sathwick
Mary Ann Wright

RE: N06-37-1-1: Informal Conference Request
Wellington Preparation Plant (C/007/012)

Dear Coal Program Staff:

According to the assessment letter dated August 9, 2006 and also pursuant to R645-401-700, I would like to request an informal conference regarding the fact of the violation and proposed assessment of N06-37-1-1.

Sincerely,

Patrick D. Collins, Ph.D.
Resident Agent/Environmental Consultant

cc: T. Garcia

330 East 400 South, Ste. 6, P.O. Box 337, Springville, Utah 84663
(801) 489-6937, (fax) 489-6779

EXHIBIT LIST

TAB A	Notice of Violation NO-06-37-1-1
TAB B	Complete Inspection Report June 30, 2006
TAB C	Historic and Current Photographs
TAB D	Previous Inspection Reports.
TAB E	Approved Mining and Reclamation Plan Narrative
TAB F	Approved Mining and Reclamation Plan Maps
TAB G	Inspector's Statement
TAB H	Proposed Assessment
TAB I	Chronology of Abatement

TAB A

Notice of Violation N.O. 06-37-1-1

UTAH

DNR

OIL, GAS & MINING

NO. N37-06-1-1

To the following Permittee or Operator:

Name: Nevada Electric Investment Company
Mine Name: Wellington Prep Plant Type: Preparation Plant
County: Carbon State: UT Telephone Number: 702-367-5767
Business Address: 6226 W. Sahara Ave; Las Vegas NV 89146.
Permit Number: C/007/012 Ownership Category: Fee

Date of Inspection: June 30, 2006 Time of Inspection: 9:00 a.m. - 1:30 a.m.
Operator Name (if other than permittee): _____
Operator Mailing Address: Resident Agent = Patrick Collins; PO Box 337; Springville UT 84663

Under authority of the Utah Coal Mining and Reclamation Act, Section 40-10-1 et seq., ***Utah Code Annotated,*** 1953, the undersigned authorized representative of the Division of Oil, Gas, and Mining has conducted an inspection of above mine on above date and has found violation(s) of the act, regulation or required permit condition(s) listed in attachment(s). This notice constitutes a separate Notice of Violation for each violation listed.

You must abate each of these violations within the designated abatement time. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned representative finds that **cessation of mining is** ☐ **is not** ☑ expressly or in practical effect required by this notice. For this purpose, "mining" means extracting coal from the earth or a waste pile, and transporting it within or from the mine site.

This notice shall remain in effect until it expires as provided on reverse side of this form, or is modified, terminated or vacated by written notice of an authorized representative of the director of the Division of Oil, Gas, and Mining. Time for abatement may be extended by authorized representative for good cause, if a request is made within a reasonable time before the end of abatement period.

Date of Service: 07/07/2006 Time of Service: 4:30 p.m.

Patrick Collins
Permittee/Operator representative

Resident Agent
Title

mailed + faxed from the DOGM/PFO
Signature

Priscilla Burton
Division of Oil, Gas, and Mining Representative

Environmental Scientist
Title

Priscilla Burton
Signature

37
Identification Number

SEE REVERSE SIDE

CERTIFIED RETURN RECEIPT # 7006 0100 0001 0310 1026

CC: DOGM
OPERATOR
OSM
NOV FILE

NOTICE OF VIOLATION NO. N37-06-1-1

Violation No. 1 of 1

Nature of violation:

Failure to operate Dryer pond in accordance with the approved plan. Dryer pond use operational use is described in the MRP Sec. 5.30 and shown on Plates F9-177 sheet 1 of 2, E93341, 712d, and 712e.

Failure to adequately close or manage water well during the Price River Pumphouse reclamation which occurred during the fall of 2004. Reclamation of the Price River Pumphouse is described in Sec. 5.26 of the MRP. Closure of water wells is described in the MRP Sec. 5.42.2 item 2, page 5.40. Protection of water wells is described in the MRP Sec. 7.38, page 7.38. Location is shown on Plate E9-3341 and F9-177 Sheet 2 of 2. A schematic of the Pumphouse is shown on Plate E9-3430.

Provisions of act, regulations, or permit violated:

R645-300-142, R645-301-755

Portion of operation to which notice applies:

Dryer pond is receiving water in-flows from an unknown source. Standing water in the normally dry pond is at 3 ft. deep.

Price River Pumphouse reclamation including removal of sluiceway, Pumphouse foundation, buried clearwater pipeline, and connection to adjacent Price River water collection well.

Remedial action required (including any interim steps):

Update the Mining and Reclamation Plan with the following information:
1) Positively determine the source of the water creating a bog at the reclaimed Price River pumphouse site and the source of the water entering the Dryer pond.
2) Determine the flow rates in cubic feet per second and acre/ft/yr of the source of water creating the bog at the reclaimed Price River pumphouse site and the flow rate of the water entering the Dryer pond.
3) Based on items 1 & 2 above, establish the current usage of ground water and/or surface water and connect this usage to a water right.
4) Describe the management of the water flow to the Price River and to the Dryer pond including
a) protection of Price River groundwater well rights that are shown on Dwg G9-3507 and itemized in Table 7-24-1 of the MRP as 97- 371, 91-216, 91-215, 91-254, 91-255.
b) protection of the soil in the vicinity of the pumphouse.
c) protection of the Price River.
5) Describe the use of water in the Dryer Pond during operations.
6) Describe the reclamation of the Dryer Pond and stem the flow of water into the pond or describe the indefinite and continued use of the diverted flows during reclamation and for a post mining land use.
7) Update Map E0-3341 to show the location of all existing structures such as the buried Clearwater pipeline.
8) Update Map 712e to show the location of the buried culvert.

Abatement time (including interim steps):

Steps 1, 2, and 3, 30 days from the date of issuance of this NOV. Steps 4 - 8, 60 days from the date of issuance of this NOV.

UTAH
NATURAL RESOURCES
Oil, Gas & Mining
3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

MODIFICATION OF NOTICE OF VIOLATION/CESSATION ORDER

To the following Permittee or Operator:

Name Nevada Electric Investment Company

Mailing Address 6226 West Sahara Ave; Las Vegas NV 89146

State Permit No. C/007/012

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., *Utah Code Annotated* (1953):

Notice of Violation No. N 06-37-1-1 dated 7/07/06, 19 ____.

Cessation Order No. C ____ dated ____, 19 ____.

Part 1 of 1 is modified as follows: Abatement date for steps 1-3 extended 60 days from the date of the violation. Abatement date for steps 4-8 extended to 90 days from the date of the violation.

Reason for modification is requested by Permittee in email dated 8/21/2006.

Part ____ of ____ is modified as follows: ____

Reason for modification is ____

Part ____ of ____ is modified as follows: ____

Date of service/mailing 8/30/06 Time of service/mailing ____ ☐ a.m. ☐ p.m.

Date of inspection June 30, 2006

Faxed/mailed from DOGM Price Office

Permittee/Operator representative Title

Signature

Priscilla Burton, CPSSc Environmental Scientist III

Division of Oil, Gas & Mining Title

Priscilla Burton

Signature

WHITE – DOGM YELLOW – OSM PINK – PERMITTEE/OPERATOR GOLDENROD – NOV FILE

DOGM/MVC-1 an equal opportunity employer Rev. 12/86 001059

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3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

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To the following Permittee or Operator:

Name Nevada Electric Investment Company.

Mailing Address 6226 W. Sahara Ave; Las Vegas NV 89146

State Permit No. C/007/012

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., *Utah Code Annotated* (1953):

Notice of Violation No. N 37-06-1-1 dated 7/07/06, 19____.

Cessation Order No. C _____ dated _____, 19____.

Part 1 of 1 is modified as follows: The violation number is corrected to read as N 06-37-1-1

Reason for modification is the year of the violation should preceed the inspector's number.

Part 1 of 1 is modified as follows: The remedial action required under 4b) protection of the soil in the vicinity of the pumphouse must include sampling of the surface 0-12" soils for pH, EC, SAR.

Reason for modification is ~~Samples should be taken from two locations~~ to determine the degree of increased salinity, if any, from the 1983 soil sampling date.

Part ____ of ____ is modified as follows: _____

Date of service/(mailing) July 20, 2006 Time of service/(mailing) 4:30 ☐ a.m. ☒ p.m.

Date of inspection June 30, 2006

Patrick Collins
Permittee/Operator representative

Resident Agent.
Title

Mailed from DOGM-Price Office
Signature

Priscilla Burton, CPSSc
Division of Oil, Gas & Mining

Environmental Scientist III
Title

Priscilla Burton
Signature

WHITE – DOGM YELLOW – OSM PINK – PERMITTEE/OPERATOR GOLDENROD – NOV FILE

DOGM/MVC-1

an equal opportunity employer

Rev. 12/86 001059

133.730. Paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870.

133.740. Satisfied the applicable requirements of R645-302.

133.750. If applicable, satisfied the requirements for approval of a long-term, intensive agricultural postmining land use, in accordance with the requirements of R645-301-353.400.

133.800. For a proposed remining operation where the applicant intends to reclaim in accordance with the requirements of R645-301-553.500, the site of the operation is a previously mined area as defined in R645-100-200.

134. Performance Bond Submittal. If the Division decides to approve the application, it will require that the applicant file the performance bond or provide other equivalent guarantee before the permit is issued, in accordance with the provisions of R645-301-800.

140. Permit Conditions. Each permit issued by the Division will be subject to the following conditions:

141. The permittee will conduct coal mining and reclamation operations only on those lands that are specifically designated as the permit area on the maps submitted with the application and authorized for the term of the permit and that are subject to the performance bond or other equivalent guarantee in effect pursuant to R645-301-800.

142. The permittee will conduct all coal mining and reclamation operations only as described in the approved application, except to the extent that the Division otherwise directs in the permit.

143. The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

144. Without advance notice, delay, or a search warrant, upon presentation of appropriate credentials, the permittee will allow the authorized representatives of the Division to:

144.100. Have the right of entry provided for in R645-400-110 and R645-400-220.

144.200. Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

145. The permittee will take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

145.100. Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;

145.200. Immediate implementation of measures necessary to comply; and

145.300. Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

146. As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

147. The operator will pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

148. Within 30 days after a cessation order is issued under R645-400-310, except where a stay of the cessation order is granted and remains in effect, the permittee will either submit the following information current to when the order was issued or inform the Division in writing that there has been no change since the immediately preceding submittal of such information:

148.100. Any new information needed to correct or update the information previously submitted to the Division by the permittee under R645-301-112.300.

148.200. If not previously submitted, the information required from a permit applicant by R645-301-112.300.

150. Permit Issuance and Right of Renewal.

151. Decision. If the application is approved, the permit will be issued upon submittal of a performance bond in accordance with R645-301-800. If the application is disapproved, specific reasons therefore will be set forth in the notification required by R645-300-152.

152. Notification. The Division will issue written notification of the decision to the following persons and entities:

152.100. The applicant, each person who files comments or objections to the permit application, and each party to an informal conference;

152.200. The local governmental officials in the local political subdivision in which the land to be affected is located within 10 days after the issuance of a permit, including a description of the location of the land; and

152.300. The Office.

153. Permit Term. Each permit will be issued for a fixed term of five years or less, unless the requirements of R645-301-116 are met.

154. Right of Renewal. Permit application approval will apply to those lands that are specifically designated as the permit area on the maps submitted with the application and for which the application is complete and accurate. Any valid permit issued in accordance with R645-300-151 will carry with it the right of successive renewal, within the approved boundaries of the existing permit, upon expiration of the term of the permit, in accordance with R645-303-230.

155. Initiation of Operations.

155.100. A permit will terminate if the permittee has not begun the coal mining and reclamation operation covered by the permit within three years of the issuance of the permit.

155.200. The Division may grant a reasonable extension of time for commencement of these operations, upon receipt of a written statement showing that such an extension of time is necessary, if:

155.210. Litigation precludes the commencement or threatens substantial economic loss to the permittee; or

155.220. There are conditions beyond the control and without the fault or negligence of the permittee.

155.300. With respect to coal to be mined for use in a synthetic fuel facility or specified major electric generating facility, the permittee will be deemed to have commenced coal mining and reclamation operations at the time that the construction of the synthetic fuel or generating facility is initiated.

UNDERGROUND COAL MINING AND RECLAMATION ACTIVITIES will, if appropriate, include a plan of proposed methods for returning coal processing waste to abandoned underground workings as follows:

746.410. The plan will describe the source of the hydraulic transport mediums, method of dewatering the placed backfill, retainment of water underground, treatment of water if released to surface streams and the effect on the hydrologic regime;

746.420. The plan will describe each permanent monitoring well to be located in the backfilled areas, the stratum underlying the mined coal and gradient from the backfilled area; and

746.430. The requirements of R645-301-513.300, R645-301-528.321, R645-301-536.700, R645-301-746.410 and R645-746.420 will also apply to pneumatic backfilling operations, except where the operations are exempted by the Division from requirements specifying hydrologic monitoring.

747. Disposal of Noncoal Mine Waste.

747.100. Noncoal mine waste, including but not limited to grease, lubricants, paints, flammable liquids, garbage, machinery, lumber and other combustible materials generated during coal mining and reclamation operations will be placed and stored in a controlled manner in a designated portion of the permit area or state-approved solid waste disposal area.

747.200. Placement and storage of noncoal mine waste within the permit area will ensure that leachate and surface runoff do not degrade surface or ground water.

747.300. Final disposal of noncoal mine waste within the permit area will ensure that leachate and drainage does not degrade surface or underground water.

748. Casing and Sealing of Wells. Each water well will be cased, sealed, or otherwise managed, as approved by the Division, to prevent acid or other toxic drainage from entering ground or surface water, to minimize disturbance to the hydrologic balance, and to ensure the safety of people, livestock, fish and wildlife, and machinery in the permit and adjacent area. If a water well is exposed by coal mining and reclamation operations, it will be permanently closed unless otherwise managed in a manner approved by the Division. Use of a drilled hole or borehole or monitoring well as a water well must comply with the provision of R645-301-731.100 through R645-301-731.522 and R645-301-731.800.

750. Performance Standards.

All coal mining and reclamation operations will be conducted to minimize disturbance to the hydrologic balance within the permit and adjacent areas, to prevent material damage to the hydrologic balance outside the permit area and support approved postmining land uses in accordance with the terms and conditions of the approved permit and the performance standards of R645-301 and R645-302. For the purposes of SURFACE COAL MINING AND RECLAMATION ACTIVITIES, operations will be conducted to assure the protection or replacement of water rights in accordance with the terms and conditions of the approved permit and the performance standards of R645-301 and R645-302.

751. Water Quality Standards and Effluent Limitations. Discharges of water from areas disturbed by coal mining and reclamation operations will be made in compliance with all Utah and federal water quality laws and regulations and with effluent limitations for coal mining promulgated by the U.S. Environmental Protection Agency set forth in 40 CFR Part 434.

752. Sediment Control Measures. Sediment control measures must be located, maintained, constructed and reclaimed according to plans and designs given under R645-301-732, R645-301-742 and R645-301-760.

752.100. Siltation structures and diversions will be located, maintained, constructed and reclaimed according to plans and designs given under R645-301-732, R645-301-742 and R645-301-763.

752.200. Road Drainage. Roads will be located, designed, constructed, reconstructed, used, maintained and reclaimed according to R645-301-732.400, R645-301-742.400 and R645-301-762 and to achieve the following:

752.210. Control or prevent erosion, siltation and the air pollution attendant to erosion by vegetating or otherwise stabilizing all exposed surfaces in accordance with current, prudent engineering practices;

752.220. Control or prevent additional contributions of suspended solids to stream flow or runoff outside the permit area;

752.230. Neither cause nor contribute to, directly or indirectly, the violation of effluent standards given under R645-301-751;

752.240. Minimize the diminution to or degradation of the quality or quantity of surface- and ground-water systems; and

752.250. Refrain from significantly altering the normal flow of water in streambeds or drainage channels.

753. Impoundments and Discharge Structures. Impoundments and discharge structures will be located, maintained, constructed and reclaimed to comply with R645-301-733, R645-301-734, R645-301-743, R645-301-745 and R645-301-760.

754. Disposal of Excess Spoil, Coal Mine Waste and Noncoal Mine Waste. Disposal areas for excess spoil, coal mine waste and noncoal mine waste will be located, maintained, constructed and reclaimed to comply with R645-301-735, R645-301-736, R645-301-745, R645-301-746, R645-301-747 and R645-301-760.

755. Casing and Sealing of Wells. All wells will be managed to comply with R645-301-748 and R645-301-765. Water monitoring wells will be managed on a temporary basis according to R645-301-738.

760. Reclamation.

761. General Requirements. Before abandoning a permit area or seeking bond release, the operator will ensure that all temporary structures are removed and reclaimed, and that all permanent sedimentation ponds, diversions, impoundments and treatment facilities meet the requirements of R645-301 and R645-302 for permanent structures, have been maintained properly and meet the requirements of the approved reclamation plan for permanent structures and impoundments. The operator will renovate such structures if necessary to meet the requirements of R645-301 and R645-302 and to conform to the approved reclamation plan.

762. Roads. A road not to be retained for use under an approved postmining land use will be reclaimed immediately after it is no longer needed for coal mining and reclamation operations, including:

762.100. Restoring the natural drainage patterns;

762.200. Reshaping all cut and fill slopes to be compatible with the postmining land use and to complement the drainage pattern of the surrounding terrain.

763. Siltation Structures.

763.100. Siltation structures will be maintained until removal is authorized by the Division and the disturbed area has been stabilized and revegetated. In no case will the structure be removed sooner than two years after the last augmented seeding.

763.200. When the siltation structure is removed, the land on which the siltation structure was located will be regraded and revegetated in accordance with the reclamation plan and R645-301-358, R645-301-356, and R645-301-357. Sedimentation ponds approved by the Division for retention as permanent impoundments may be exempted from this requirement.

764. Structure Removal. The application will include the timetable and plans to remove each structure, if appropriate.

765. Permanent Casing and Sealing of Wells. When no longer needed for monitoring or other use approved by the Division upon a finding of no adverse environmental or health and safety effects, or unless approved for transfer as a water well under R645-301-731.100 through R645-301-731.522 and R645-301-731.800, each well will be capped, sealed, backfilled, or otherwise properly managed, as required by the Division in accordance with R645-301-529.400, R645-301-631.100, and R645-301-748. Permanent closure measures will be designed to prevent access to the mine workings by people, livestock, fish and wildlife, machinery and to keep acid or other toxic drainage from entering ground or surface waters.

0007

OK

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

Inspection Report

Permit Number:	C0070012
Inspection Type:	COMPLETE
Inspection Date:	Friday, June 30, 2006
Start Date/Time:	6/30/2006
End Date/Time:	7/6/2006
Last Inspection:	Tuesday, May 30, 2006

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sun 90 F

InspectionID Report Number: 1001

Accepted by: whedberg
7/6/2006

Permitee: **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

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:

Site visit on June 30. Site dry with the exception of the Dryer pond which is receiving approximately 1 gpm inflow through the buried pipeline. Patrick Collins indicated that NEICO does not want to close the well which appears to be the source of water accumulating in the dryer pond. The inspection was held open until July 6, 2006, when Mr. Collins could provide a management plan. However, after reviewing said plan, the Division determined the plan to be inadequate, because it fails to positively identify the source of the water flow to the dryer pond for its subsequent management and it fails to determine whether the surface and groundwater are comingling and whether the Price River groundwater well has been compromised. NOV 37-06-1-1 was issued for non-compliance with R645-301-755 on July 7, 2006.

Inspector's Signature: Priscilla Burton **Date** Friday, July 07, 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.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Permit Number: C0070012
Inspection Type: COMPLETE
Inspection Date: Friday, June 30, 2006

Inspection Continuation Sheet

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 performace 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	☑	☐	☐	☐
2. Signs and Markers	☑	☐	☐	☐
3. Topsoil	☑	☐	☐	☐
4.a Hydrologic Balance: Diversions	☑	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☐	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☑	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☐	☐
5. Explosives	☐	☑	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☑	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☑	☐	☑	☐
8. Noncoal Waste	☑	☐	☑	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☐	☐
10. Slides and Other Damage	☐	☑	☐	☐
11. Contemporaneous Reclamation	☑	☐	☑	☐
12. Backfilling And Grading	☐	☑	☐	☐
13. Revegetation	☑	☐	☐	☐
14. Subsidence Control	☐	☑	☐	☐
15. Cessation of Operations	☑	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☐	☐
16.b Roads: Drainage Controls	☑	☐	☐	☐
17. Other Transportation Facilities	☑	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☐	☐
19. AVS Check	☑	☐	☑	☐
20. Air Quality Permit	☑	☐	☐	☐
21. Bonding and Insurance	☑	☐	☐	☐
22. Other	☑	☐	☑	☐

4.c Hydrologic Balance: Other Sediment Control Measures

The June 9, 2006 storm that moved through the Price area left 1" of rain and created a bit of havoc with sediment control along the access road and South Farnham Road. All siltation structures were in good repair at the time of the inspection.

4.d Hydrologic Balance: Water Monitoring

First quarter was completed Feb 22, 2006 and has been entered into the database. Second quarter was taken May 9. This information is yet to be entered into the database.

7. Coal Mine Waste, Refuse Piles, Impoundments

Refuse piles inspected March 14, 2006 for the first quarter. No problems noted. Second quarter not yet available from the P.E.

8. Noncoal Waste

Non-coal waste on the reclaimed Covol site needs to be picked up. Non-coal waste from the remains of the overland conveyor (towers, pipes etc.) also needs to be picked up.

11. Contemporaneous Reclamation

Seeding of the outslope of the Siaperas ditch near UPDES point 008 was affected by the June 9, 2006 rainfall. Rlills were created in the seeded area.

19. AVS Check

2005 Annual report has all previously requested information except the Secretary's signature. This last piece of information is in Patrick Collin's hands and will be supplied as a supplement to the Annual Report.

22. Other

Patrick Collins indicated that NEICO does not want to close the well which the Division believes to be the source of water accumulating in the dryer pond. Consequently, Mr. Collins was asked to provide information for Division review (concerning management of the well and associated water inflow to the dryer pond) to comply with R645-301-755 on or before July 6, 2006 at which time this inspection report will be finalized.

Priscilla Burton - Well History & Management Plan

From: Patrick Collins
To: Priscilla Burton
Date: 7/5/2006 4:13 PM
Subject: Well History & Management Plan
Attachments:

Priscilla:

Please provide comments to the attached **draft** document you requested.

I am scheduled to be in meetings in Salt Lake tomorrow, but may be back by the afternoon. Friday I'll be in the field.

Thanks,
Patrick

- DRAFT -

HISTORY & MANAGEMENT OF THE WATER COLLECTION WELL AT THE WELLINGTON PREP PLANT

July 5, 2006

INTRODUCTION

The Wellington Prep Plant (C/007/012) is owned and operated by NEICO. The site has a water collection well located on the east side of the Price River. More specifically, the well is located in the SE¼, NE¼, Section 16, T15S, R11E. A certified water right is associated with this well site (Water Right No. 91-255). Additionally, supplemental water rights are appurtenant to this well site (Water Right Nos. 91-215, 216, 254, 255, 371). Although a pumphouse that was located near the well has recently been dismantled and removed, NEICO's intention is to retain the well and its associated water rights for future use.

HISTORY

- The Wellington Prep Plant has had water rights for this well site since 1958.
- The original owners of the site prepared and washed coal to be used for making steel at the Geneva Plant in Utah County, Utah.
- In the coal washing process, water was collected by: 1) pumping recycled water from the Clearwater Pond, 2) pumping it from the Price River, and 3) pumping it from the well mentioned above.
- The wash plant was in continuous operation from 1958 until 1985, when Kaiser Coal bought and operated the site.
- In 1985, revegetation research plots were irrigated with the well water. This practice was soon discontinued by Kaiser Coal.
- The Wellington Prep Plant site was purchased by NEICO and IPA in 1989. The site was operated by Castle Valley Resources as a coal loadout for the Genwal Mine.
- NEICO became sole owner of the site in 1995.
- In 1997, Earthco leased the property from NEICO and began to demolish and reclaim

some areas of the site. It is believed that Earthco also utilized the water from the well at that time for these activities.

- From 1997 to 2003, Covol Techologies utilized the well water along with water from the Price River to fill the Clearwater Pond and North Slurry Pond. The water was necessary to transport and process the fines in the area as part of the operations at their onsite wash plant.

- More recently (2004-05), the well water has been used for a variety of activities including dust suppression and control.

- *Note*: When water was not being pumped from the pumphouse, well, or Price River, a small amount of water (estimated at approximately 1 gal/min) could usually be observed draining through the concrete ditch that was constructed to deliver water from the Price River to the pumphouse. Notably, this water drained *toward* the Price River instead of *away* from it as it did when water was delivered to the pumphouse for operational procedures. It was assumed that these flows were coming from either groundwater of the immediate area or from the pipeline coming from the aforementioned well in the area.

  Furthermore, there is often a "wet area" near the pumphouse, a potential consequence of the groundwater or well water of the area.

- After the Covol Wash Plant was removed in 2004, the pumphouse located in the vicinity of the well was removed by a Covol subcontract without permission of the permittee (NEICO) or the operator (Covol).

- Absence of the pumphouse building structure created a potential public safety hazard due to below-grade support facilities. Covol then agreed to reclaim the remaining pumphouse structure to eliminate the safety problems. This work was accomplished in October 2004.

- During the winter of 2005, water was observed entering the Dryer Pond located on the west side of the Price River near the old facilities area of the Wellington Prep Plant.

- Water samples were taken and analyzed from the flows into the Dryer Pond by a NEICO representative. The water was found to be nontoxic or hazardous and met current water quality standards.

- A review of the as-built drawings of the Dryer Pond did not show the inlet where this water was entering the pond. Prior to the unexplained flow to the pond, the inlet was not visible.

- Consultation with the engineer that designed expansion of the Dryer Pond revealed that the inlet to the pond where water has been entering was unknown to him.

- In 2006, a Division inspector for the Wellington site reviewed archived early drawings and found that there was a water pipeline that historically conveyed water from the pumphouse area to the Dryer Pond area. It was postulated at that time that flows in the Dryer Pond could originate from the pumphouse area and be a consequence of changes made by reclamation activities of the pumphouse. Although the possibility does exist that this is the source of the water in the Dryer Pond, it is not a certainty.

MANAGEMENT

The water well and associated water rights to it are a valuable asset to NEICO for future operations by NEICO or potential future owners of the site. The well has been in use on the site since 1958. Recent meetings with potential buyers to the site have expressed a strong desire to retain the well and its water rights.

Suggestions have been made by the Division to permanently seal the water collection well described above as part of reclamation of the pumphouse. Because there is the strong likelihood that if the well was abandoned and sealed at this time that NEICO would loose the water rights associated with it, so NEICO has no plans to seal the well. NEICO therefore intends to manage the well "*in a manner approved by the Division*". The applicable state regulation for this well states the following:

R645.301.748 Casing and Sealing of Wells. Each water well will be cased, sealed, or otherwise managed, as approved by the Division, to prevent acid or other toxic drainage from entering ground or surface water, to minimize disturbance to the hydrologic balance, and to ensure the safety of people, livestock, fish and wildlife, and machinery in the permit and adjacent area. If a water well is **exposed** by coal mining and reclamation operations, it will be permanently closed unless otherwise managed in a manner approved by the Division. Use of a drilled hole or borehole or monitoring well as a water well must comply with the provision of R645-301-731.100 through R645-301-731.522 and R645-301-731.800.

Management procedures, comments, and advantages for retaining the well and its water rights are listed below.

- If, in fact, the water entering the Dryer Pond on the west side of the Price River originates from the pumphouse area, it is assumed that this discharge is the same as described in the *"Note"* in the HISTORY section above.

- The well is located in an area where there is no toxic or hazardous materials near it. The well is covered and generally unnoticeable to the public, so it should not be subject to unwanted material entering the ground or surface waters.

- With the pipeline system in place, water can be delivered from the well to either the east or west side of the river. This is a definite advantage to the operator(s) of the site. The water

can currently be used for dust control or other purposes.

- The well water could be used for reclamation or industrial activities in the future.
- The well water currently provides wildlife habitat with its discharge into the Dryer Pond.
- When evaporation exceeds discharge to the Dryer Pond, the water level decreases. When discharge exceeds evaporation, the water level rises to the level of the input culvert and seems to reach a point of equilibrium and does not discharge from the Dryer Pond. If, however, water should release from the Dryer Pond, this pond is an approved UPDES point.
- The water entering the Dryer Pond is of good quality.
- Retention of the well and its water rights increases the market value of the Wellington property.

TAB C

Previous Inspection Reports

UTAH

DNR

OIL, GAS & MINING

0007

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

Inspection Report

Permit Number:	C0070012
Inspection Type:	PARTIAL
Inspection Date:	Friday, July 29, 2005
Start Date/Time:	7/29/2005 10:00:00 AM
End Date/Time:	7/29/2005 12:30:00 PM
Last Inspection:	Tuesday, June 14, 2005

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sun 95 F

InspectionID Report Number: 686

Accepted by: whedberg OK
8/4/2005

Permitee: **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

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:

Observed greasewood riparian area; road damage to slurry pipeline pond and silt fence repair below this road; and Dryer pond inflow.

Inspector's Signature Priscilla Burton **Date** Monday, August 01, 2005

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.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Permit Number: C0070012
Inspection Type: PARTIAL
Inspection Date: Friday, July 29, 2005

Inspection Continuation Sheet

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 performace 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	☑	☐	☑	☐
2. Signs and Markers	☐	☐	☐	☐
3. Topsoil	☐	☐	☐	☐
4.a Hydrologic Balance: Diversions	☐	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☑	☐
4.d Hydrologic Balance: Water Monitoring	☐	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☐	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☐	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☐	☐	☐	☐
10. Slides and Other Damage	☐	☐	☐	☐
11. Contemporaneous Reclamation	☐	☐	☐	☐
12. Backfilling And Grading	☐	☐	☐	☐
13. Revegetation	☑	☐	☑	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☑	☐
16.b Roads: Drainage Controls	☐	☐	☐	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☐	☐	☐	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☐	☐	☐	☐

1. Permits, Change, Transfer, Renewal, Sale

Mr. Collins indicated that he is making progress on completing a report with additional information on owners and controllers for the AVS system, recently requested by the Division.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

All ponds are dry except the Dryer Pond. This pond is adjacent to the railroad tracks (Plate F9-177 1 of 2). An 18-inch cement culvert beneath the railroad tracks is the source of water flowing into the pond at perhaps 1 gpm. Although the culvert outlet could be seen, the inlet could not be found. The water is constant and reliable as evidenced by the established cattails. The pond as-built, Plate A9-1464, does not show the culvert. Mr. Collins speculates that the culvert was buried before pond reconstruction in the late 1990's and that the source of water flowing in the culvert is from irrigation drainage. It is recommended that the hydrologist assigned to the site investigate the source of flow.

4.c Hydrologic Balance: Other Sediment Control Measures

Silt fence along the Siaperas ditch is aging. The hydrologist assigned to the site should evaluate the need for this fencing and determine whether the fence should be replaced or removed entirely.

Silt fence repair downstream from the slurry pipeline access road was attempted, but not adequate. The silt fence is not anchored into the ground and will allow flow to pass through. Mr. Collins indicated that this fence would be repaired so that it will function as designed. He plans to complete the repair in two weeks time, when a load of fill will be dellivered to the site.

13. Revegetation

The greasewood reference area was observed and photographed. Mr. Collins indicated that this reference area is for lowland reclamation sites, but not for the river pumphouse which was apparently too small to require comparison with a reference area.

Grasses are emerging in the bottom of gouges at the river pump house reclamation site.

16.a Roads: Construction, Maintenance, Surfacing

A contractor has been scheduled to repair the erosion on the slurry pipeline road in two weeks from the date of this inspection.

0012

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

Inspection Report

Representatives Present During the Inspection:	
OGM	Priscilla Burton Environmental Scientist III
Company	Patrick D. Collins Resident Agent

Permit Number:	C0070012
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, October 19, 2005
Start Date/Time:	10/19/2005 9:00:00 AM
End Date/Time:	10/19/2005 12:00:00 PM
Last Inspection:	Monday, September 26, 2005

Inspector: Priscilla Burton, Environmental Scientist III

Weather: overcast, 60 F

InspectionID Report Number: 762

Accepted by: whedberg
11/7/2005

Permitee: **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

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:

Rain the previous night created muddy walking conditions. Silt fences and straw bales observed during the inspection were in working order. The irrigation ditches along the irrigated fields were walked to try and find the source of water to the dryer pond. The irrigation ditches were dry.

Inspector's Signature Priscilla Burton **Date** Friday, October 21, 2005

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.

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Permit Number: C0070012
Inspection Type: PARTIAL
Inspection Date: Wednesday, October 19, 2005

Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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3. Topsoil	☐	☐	☐	☐
4.a Hydrologic Balance: Diversions	☐	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☐	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☐	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☐	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☐	☐	☐	☐
10. Slides and Other Damage	☐	☐	☐	☐
11. Contemporaneous Reclamation	☐	☐	☐	☐
12. Backfilling And Grading	☐	☐	☐	☐
13. Revegetation	☐	☐	☐	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☐	☐	☐	☐
16.b Roads: Drainage Controls	☐	☐	☐	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☐	☐	☐	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☐	☐	☐	☐

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The irrigation ditch along the irrigated fields east of the railroad tracks (shown on Map F9-177 1 of 2). Although water was noted flowing in the ditch during last month's inspection, there was no water flowing today. The ditch directs water at two points towards the irrigated field. Water continues to flow into the dryer pond. We explained the problem to a Union Pacific Railroad crew (crew leader = Clint Haveron), so that they could confirm the existence of the culvert and its flow to railroad supervisors. They suggested contacting Mr. Everett Johns of the Building & Bridges [B & B] Dept. at the railroad's Helper office: (435) 472-5871, to look for construction plans that migh provide information on the whereabouts of the inlet to the culvert.

0013

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

Inspection Report

Representatives Present During the Inspection:		
OGM	Priscilla Burton	Environmental Scientist III
Company	Patrick D. Collins	Resident Agent

Permit Number:	C0070012
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, November 30, 2005
Start Date/Time:	11/30/2005 9:00:00 AM
End Date/Time:	11/30/2005 12:30:00 PM
Last Inspection:	Wednesday, October 19, 2005

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sunshine, windy, 20 F

InspectionID Report Number: 798

Accepted by: whedberg
12/9/2005

Permitee: **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

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:

Seeding conducted on the slope above UPDES point 006 (dry) on East side of property. On west side, walked UD-1 observed UPDES point 005 which was dry.

Inspector's Signature Priscilla Burton. **Date** Thursday, December 01, 2005

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.

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Permit Number: C0070012
Inspection Type: PARTIAL
Inspection Date: Wednesday, November 30, 2005

Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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22. Other	☐	☐	☐	☐

4.a Hydrologic Balance: Diversions

Mr. Collins and I walked the length of UD-1 and UD-1A shown on Dwg F9-177 sheet 1 of 2. This ditch separates the undisturbed drainage from the preparation plant site. The berm is in good shape along its length.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Water is still flowing into the dryer pond by the railroad tracks. There remains approximately five feet of elevation between the water level in the pond and the spillway.

4.c Hydrologic Balance: Other Sediment Control Measures

Straw bales have been reinforced at ASCA #6 shown on Dwg F9-177 sheet 2 of 2.

4.d Hydrologic Balance: Water Monitoring

Observed UPDES point 005 which was dry.

11. Contemporaneous Reclamation

The riparian mix used at the pumphouse site was spread yesterday along the slope of the Siaperas ditch at the entrance road to topsoil pile #4, near the relocated UPDES point 006. The seed was spread by hand and raked in, but not mulched.

0014

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:	
OGM	Priscilla Burton Environmental Scientist III
OGM	Pamela Grubaugh-Littig Environmental Manager
Company	Patrick D. Collins Resident Agent

Inspection Report

Permit Number:	C0070012
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, December 20, 2005
Start Date/Time:	12/20/2005 1:00:00 PM
End Date/Time:	12/22/2005 1:30:00 PM
Last Inspection:	Wednesday, November 30, 2005

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sun, 50's

InspectionID Report Number: 828

Accepted by: whedberg
1/13/2006

Permitee: **NEVADA ELECTRIC INVESTMENT CO**
Operator: **NEVADA ELECTRIC INVESTMENT CO**
Site: **WELLINGTON PREPARATION PLANT**
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Types of Operations

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- ☐ Surface
- ☑ Loadout
- ☑ Processing
- ☐ Reprocessing

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

Legal & Financial information reviewed in Salt Lake Office on Dec 20 with Pam Grubaugh-Littig. Continued on December 22nd with the records review at the PFO and a site inspection. Present during the site visit were Kurt Jensen and Paul Crespin from the Union Pacific Railroad. There is 3.0 ft of water in the dryer pond. The current flow into the dryer pond may be due to the inadvertent removal of a section of buried pipeline during reclamation of the River pumphouse. The Permittee must update AVS information and update the Map E9-3341 to provide a legend and show the buried clear water pipeline and the remaining foundation of the plant pumphouse. The Permittee will monitor the quantity of flow into the dryer pond and take a sample for quality during the next regular water monitoring time.

Inspector's Signature: Priscilla Burton **Date** Thursday, December 22, 2005

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.

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Permit Number: C0070012
Inspection Type: COMPLETE
Inspection Date: Tuesday, December 20, 2005

Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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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	☑	☐	☑	☐
2. Signs and Markers	☑	☐	☐	☐
3. Topsoil	☑	☐	☐	☐
4.a Hydrologic Balance: Diversions	☑	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5. Explosives	☐	☑	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☑	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☑	☐	☑	☐
8. Noncoal Waste	☑	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☑	☐
10. Slides and Other Damage	☐	☑	☐	☐
11. Contemporaneous Reclamation	☑	☐	☑	☐
12. Backfilling And Grading	☐	☑	☐	☐
13. Revegetation	☐	☑	☐	☐
14. Subsidence Control	☐	☑	☐	☐
15. Cessation of Operations	☑	☐	☑	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☑	☐
16.b Roads: Drainage Controls	☑	☐	☑	☐
17. Other Transportation Facilities	☑	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☐	☐
19. AVS Check	☑	☐	☑	☐
20. Air Quality Permit	☑	☐	☐	☐
21. Bonding and Insurance	☑	☐	☐	☐
22. Other	☑	☐	☐	☑

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

Pond certifications were done on August 22 for the 3rd quarter and on October 26 for the 4th quarter. The 4th quarter report indicates that the Dryer Pond contained 3.0' of water. (Last year in December, the Dryer Pond had 1.3 ft. of frozen water). The Dryer pond sediment level is within 1.3 ft of clean out level. There is 3.0 ac ft. of capacity remaining in the pond (compared with 4.1 ac ft last December, see 2004 Annual Report). The current elevation of the pond water is 5,332 ft. (based upon measured sediment elevation + water depth).

Flow continues into the pond through the cement culvert. The flow is approximately 2 gal/ min. of clear water. This water flow will be sampled for quality parameters during the next routine sampling.

Kurt Jensen (Operations unit of the Union Pacific Railroad) checked the maps and profiles on record in Helper and did not see the location of the buried culvert on any railroad maps, although the old (cement plugged) pipe emergency spillway is shown. Paul Crespin (maintenance unit Union Pacific Railroad) was not previously aware of the flow in the culvert. During the inspection, it was noted that a similar sized culvert was in the opposite embankment of the dryer pond and that the pipeline used to connect across the pond. Indeed, fragments of the culvert were noted in a pile of fill cleared from the pond in 1997 during the pond enlargement. The culvert on the opposite end of the pond is buried underneath railroad tracks, but appears to connect with the plant pumphouse in the auxilliary pond. See further discussion under item 11, comtemporaneous reclamation.

4.d Hydrologic Balance: Water Monitoring

Monitoring parameters are noted in Sec. 7.23 of the MR. Monitoring locations are shown on Hydrologic Map E9 33451A. Table 7.24-2 for groundwater and Table 7.24-5 for surface water. Water sampling for the 3rd quarter was conducted August 11. Surface water monitoring indicates that TDS values do not change above and below the disturbed area along the Price River, but there is a slight increase in the TSS (3,642 mg/L upstream and 4,354 mg/L downstream) of the pumphouse reclamation. Groundwater measurements of TDS do not change from the off site GW - 1 location to the location below the clearwater pond (GW-4). Because of the inflow into the dryer pond, groundwater depths were noted. Upstream GW-4, 2,000 ft northwest of the dryer pond, showed a groundwater depth of 11.54 ft below the surface. Downstream, GW-7 1,500 ft. southeast of the dryer pond, the depth of groundwater was similar at 11.26 ft. below the surface. The groundwater is just 8.34 ft. below the surface at GW-12 500 ft. northeast of the dryer pond. Yet, 250 ft. southwest of the dryer pond, the groundwater was 12.56 ft. below the surface (GW-10).

4.e Hydrologic Balance: Effluent Limitations

UPDES permit #UTGO40010 was issued 4/24/2003. A letter from the Permittee to the DEQ indicates that there was no discharge at any of the six discharge points in October or November 2005. Discharge points are 003A, 004A, 005A, 006A, 007A, 008A (fissure).

7. Coal Mine Waste, Refuse Piles, Impoundments

Mark Page, Division Water Rights dam safety inspection report dated 9/15/05 indicates that the woody plants on the slope of the embankments will pose a stability hazard, should the slurry ponds be active in the future.

The two MSHA waste piles (#12 11 UT 90 00099-01 and 05) are inactive and last inspected August 22, 2005 by Mr. Dan Guy, P.E. with Blackhawk Engineering.

9. Protection of Fish, Wildlife and Related Environmental Issues

A flock of bluebirds was hovering around the dryer pond. A herd of 40 - 50 antelope was grazing nearby on the property.

11. Contemporaneous Reclamation

Demolition of the plant pumphouse is described in Section 5.26 of the MRP. The foundation of this structure and "pipeline end" was retained for future use. The location of the plant pumphouse structure was removed from Map E9-3341, but is shown on a previous version of the plate. The foundation of the plant pumphouse within the auxiliary pond was photographed during the site visit.

A buried clearwater pipeline is also described in Sec. 5.26. The buried pipeline is noted on Map E9-3341, but the location of the pipeline was omited from the map. Section 5.30 of the MRP describes the filling of the auxilliary pond with water directly from the clear water pipeline. The clear water pond is across the Price River near the river pumphouse.

The Map E9-3341 must be improved by inclusion of a legend, the plant pumphouse foundation, and the location of the full length of the buried clear water pipeline. (This may require that the Permittee look through archived plans.)

The river pumphouse was reclaimed in the Fall of 2005. During this activity, a buried pipe was removed from the east side of the Price River. This may have connected to the buried clear water pilpeline described as AA on Map E9-3341. A cement dam across the Price river and a cistern remain at the river pumphouse location. The depth to wateri n the cistern was estimated at approximately 5 - 8 ft. below the surface. The area is boggy.

15. Cessation of Operations

Wellington Preparation Plant has been inactive since 1996. Buildings and structures were removed from the west side of the site prior to 1999. The Covol activity on the east side of the site (at the slurry ponds) ended in 2002 and was reclaimed in 2004/5.

16.a Roads: Construction, Maintenance, Surfacing

The road to the slurry pipeline pond has been repaired and the road ditch cleared.

16.b Roads: Drainage Controls

The topsoil pile #4 access road has been graded to direct flow to straw bales at the end of the road.

19. AVS Check

A meeting on December 20, 2005 was held in Slat Lake City between Mr. Collins, Ms. Pam Grubaugh-Littig, and myself to discuss the requirements for updating the Applicant Violator System (AVS) information. Mr. Collins was asked to provide "end" dates for persons in the AVS, but no longer acting in the capacity indicated in the AVS. The end dates must be certified as true and correct by the Corporate Secretary (Mr. Eastman). In addition, Mr. Collins was asked to provide the names and contact information for the current officers and directors (along with their "begin" dates) for Nevada Power, Sierra Pacific Resources. This information must also be certified by the corporate Secretary. The information for NEICO officers was previously provided with the 2004 Annual Report. Mr. Collins was asked to clarify the Employee Identification Number and address of John E. Brown, Nevada Power as there are currently three other John Browns in the AVS. Finally, Mr. Collins will provide a diagram of the sorporate family tree in the MRP showing the organization structure of Sierra Pacific Resources, Nevada Power, and NEICO.

0001

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

Inspection Report

Permit Number:	C0070012
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, January 31, 2006
Start Date/Time:	1/31/2006 1:00:00 PM
End Date/Time:	1/31/2006 3:00:00 PM
Last Inspection:	Tuesday, December 20, 2005

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sunshine ,windy, 45 F

InspectionID Report Number: 857

Accepted by: whedberg
2/1/2006 OK

Permitee: **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

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:

Melting snow has created very muddy conditions. Slurry pipeline access road was in good repair. Dryer pond was frozen with inflow from the pipe still occurring.

Inspector's Signature: Priscilla Burton **Date** Wednesday, February 01, 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.

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Permit Number: C0070012
Inspection Type: PARTIAL
Inspection Date: Tuesday, January 31, 2006

Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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3. Topsoil	☐	☐	☐	☐
4.a Hydrologic Balance: Diversions	☐	☐	☐	☐
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4.c Hydrologic Balance: Other Sediment Control Measures	☐	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☐	☐	☐
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9. Protection of Fish, Wildlife and Related Environmental Issues	☐	☐	☐	☐
10. Slides and Other Damage	☐	☐	☐	☐
11. Contemporaneous Reclamation	☐	☐	☐	☐
12. Backfilling And Grading	☐	☐	☐	☐
13. Revegetation	☐	☐	☐	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☑	☐
16.b Roads: Drainage Controls	☐	☐	☐	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☐	☐	☐	☐
19. AVS Check	☑	☐	☑	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☑	☐	☑	☐

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Dryer pond was frozen with inflow from the pipe still occurring.

4.d Hydrologic Balance: Water Monitoring

The methodology used to determine whether to take a water quality sample at GW-3, GW-13, and GW-17 is based upon past history of the sampling at these sites. For GW-3 depths of water below 13.5 ft are not purged and sampled due to the long recovery time and interference by suspended solids. Similarly, for GW-13 the cut off depth is 25.3 ft. and for GW-17 the cut off depth is 25.5 ft. This methodology is explained in emails between Gregg Galecki (Division hydrologist) and Karla Knoop (JBR Consultant) in April and May 2004, a copy of which was obtained during the inspection. The email has been scanned and sent to file.

16.a Roads: Construction, Maintenance, Surfacing

Slurry pipeline access road was in good repair.

19. AVS Check

Changes in the Officers and Directors for Sierra Pacific, a parent company to NEICO, will be provided with the AVS information in the 2005 Annual Report as per recent email from Pam Grubaugh-Littig to Patrick Collins on January 23, 2006.

22. Other

Correction to last month's inspection report. My statement that a pipe had been removed during the river pumphouse reclamation was inaccurate. I should have said that a cement ditch was removed. According to Mr. Collins, this cement ditch frequently carried clear water from the pumphouse site to the Price River.

0002

State of Utah

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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

Inspection Report

Representatives Present During the Inspection:
Company Patrick D. Collins Resident Agent

Permit Number:	C0070012
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, February 28, 2006
Start Date/Time:	2/28/2006 9:00:00 AM
End Date/Time:	2/28/2006 11:45:00 PM
Last Inspection:	Tuesday, January 31, 2006

Inspector: Priscilla Burton, Environmental Scientist III

Weather: overcast 40 F

InspectionID Report Number: 881

Accepted by: whedberg
2/28/2006

Permitee: **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

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:

The site is dry. Moisture and snow are still retained in the north facing slope of the gouges at the Covol reclamation site. The reclamation of the Price River bank is stable. A pipe and associated cistern remain at this site (photo). The Auxiliary pond is dry. The water in the Dryer pond has reached the height of the inflow and appears to be reaching equilibrium.

Inspector's Signature: Priscilla Burton **Date** Tuesday, February 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.

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Permit Number: C0070012
Inspection Type: PARTIAL
Inspection Date: Tuesday, February 28, 2006

Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☐	☐	☐	☐

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The water in the Dryer pond has reached the height of the inflow and appears to be achieving equilibrium with the level of the source water, only subsurface flow was visible as the algae moved below the surface. The Auxiliary pond is dry.

12. Backfilling And Grading

Pocks at the reclaimed pumphouse site are salt encrusted. Ponded water exists at former pumphouse site. A pipe and associated cistern remain at this site (photo).

13. Revegetation

Although the site is dry, moisture and snow are still retained in the north facing slope of the gouges at the Covol reclamation site. There is trash on this reclaimed site that needs to be picked up. A three ft. deep trench was inadvertently cut by the backhoe during reclamation of the site. This trench should be filled in. First bloom of the season is a small inconspicuous Cymopterus flower (photo).

State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

JOHN R. BAZA
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JON M. HUNTSMAN, JR.
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Lieutenant Governor

Inspection Report

Representatives Present During the Inspection:		
OGM	Priscilla Burton	Environmental Scientist III
Company	Patrick D. Collins	Resident Agent

Permit Number:	C0070012
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, March 28, 2006
Start Date/Time:	3/28/2006 8:30:00 AM
End Date/Time:	3/28/2006 1:00:00 PM
Last Inspection:	Tuesday, February 28, 2006

Inspector: Priscilla Burton, Environmental Scientist III

Weather: overcast 40 F, drizzling at 1 pm

InspectionID Report Number: 911

Accepted by: whedberg
4/4/2006

Permitee: **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**

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- ☐ 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: Priscilla Burton, Environmental Scientist III
Inspector ID Number: 37

Date Tuesday, March 28, 2006

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

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22. Other	☐	☐	☐	☐

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 auxilliary 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 AuxilliaryPond with water directly from the clear water pipeline. [The Auxilliary 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 ot 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.

0006

OK

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

Inspection Report

Representatives Present During the Inspection:
OGM Priscilla Burton Environmental Scientist III

Permit Number:	C0070012
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, May 30, 2006
Start Date/Time:	5/30/2006 10:00:00 AM
End Date/Time:	5/30/2006 1:00:00 PM
Last Inspection:	Thursday, April 27, 2006

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sun 68 F

InspectionID Report Number: 962

Accepted by: whedberg
6/12/2006

Permitee: **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

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:

Site was dry. Silt fences, straw bales and ditches were functional. Vegetation on reclaimed pumphouse and Covol site observed. Depth of water at river pumphouse bog and two wells evaluated. These wells must be closed as per R645-301-755. Information in this report was discussed with Mr. Collins at the Price Field Office on June 2, 2006.

Inspector's Signature: Priscilla Burton **Date** Tuesday, May 30, 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.

594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Permit Number: C0070012
Inspection Type: PARTIAL
Inspection Date: Tuesday, May 30, 2006

Inspection Continuation Sheet

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 performace 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	☐	☐	☐	☐
2. Signs and Markers	☑	☐	☑	☐
3. Topsoil	☐	☐	☐	☐
4.a Hydrologic Balance: Diversions	☐	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☐	☐	☐	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☐	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☐	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☐	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☐	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☑	☐
10. Slides and Other Damage	☐	☐	☐	☐
11. Contemporaneous Reclamation	☐	☐	☐	☐
12. Backfilling And Grading	☐	☐	☐	☐
13. Revegetation	☑	☐	☑	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☐	☐	☐	☐
16.b Roads: Drainage Controls	☐	☐	☐	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☐	☐	☐	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☑	☐	☑	☐

2. Signs and Markers

Signs require maintenance: phone numbers have worn off the signs at the west entrance.

9. Protection of Fish, Wildlife and Related Environmental Issues

A thistle-like species is spreading in the vicinity of UD-1. The plant should be positively identified.

13. Revegetation

Small sage brush and rabbitbrush seedlings noted on the COVOL reclaimed site. A few greasewood seedlings noted on the Price River Pumphouse reclaimed site. However, both sites have very limited desireable vegetation...mostly weeds.

22. Other

Water depth in two wells at the former Price River pumphouse location was estimated to be four feet below the surface. Water flowing from these wells is thought to be creating the bog in the Price River pumphouse area. Standing water in the bog was between 4 inches and 3 ft deep on the day of the inspection. Salt grass vegetation has been replaced by reeds in the bog. As noted in last months inspection report, these wells must be closed as per R645-301-748, R645-301-755, and R645-301-765. The closure must be completed by the next complete inspection (June 2006) or a violation will be issued. Information in this report was discussed with Mr. Collins at the Price Field Office on June 2, 2006.

TAB D

Historic and Current Photographs

UTAH

DNR

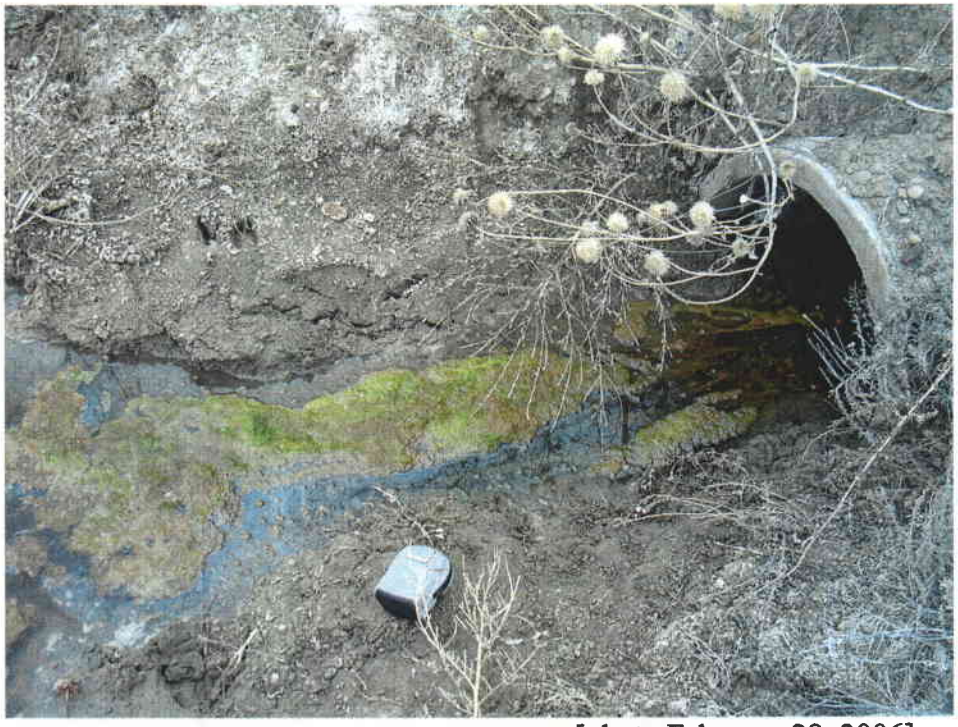
OIL, GAS & MINING

DRYER POND

The pond is dry in this historical photo taken in 2003.

Constant flows into the pond over 18 months have changed the pond appearance.
[photo July 31, 2006]

FLOW INTO DRYER POND



[photo February 28, 2006]

Culvert bringing flow into the Dryer pond is not located on the pond as-built and flow is not described in the MRP, resulting in NO-06-37-1-1 for failure to operate according to plan (R645-300-142).

An explanation of the water source (surface or ground water inflow) to the Dryer pond, along with an accounting of the volume of water impounded was requested.

The culvert bringing flow to the pond is beneath the active Union Pacific Railroad tracks. The Railroad was unofficially notified of the presence of the water impoundment adjacent to the active railway (December 2005 inspection).

PRICE RIVER WATER WELL

[Photo October 26, 2006]

Reclamation of the Price River water collection well is described simultaneously with reclamation of the pumphouse in the Mining and Reclamation Plan (MRP, Sec. 5.42.2, item 2), but reclamation of the well was not done during reclamation of the Pumphouse. Closure of all water wells at reclamation is also indicated in the MRP (Section 7.38, page 7.38).

NO-06-37-1-1 was written for failure to adequately close this water well during reclamation of the pumphouse (R645-301-748 and 765).

Below are photographs of adjacent inreclaimed structures associated with Price River well and pumphouse.

southeast of former pumphouse

north of former pumphouse

THE RECLAIMED SITE

[May 12, 2005]

NO-06-37-1-1 requires adequate explanation of the source of water creating the bog in the former location of the pumphouse, above. Modification to NO-06-37-1-1 requires sampling of the soils in the vicinity of the bog for pH, Electrical Conductivity and Sodium Adsorption Ratio for comparison with 1988 baseline soil data.

[October 26, 2006]

October 26, 2006

Reclaimed site looking south from Price River Well towards reclaimed pumphouse location.

COMPARABLE UNDISTURBED AREA

October 26, 2006

Immediately adjacent and southeast of the pumphouse reclaimed site in the vicinity of groundwater well GW-6. (At this location, groundwater was measured at 6.26 feet below the surface.)

October 26, 2006

Vegetation immediately northwest of the reclaimed pumphouse site.

PRICE RIVER PUMPHOUSE

Note location of tree by pumphouse.

June 29, 2004

Note location of tree, buffer zone sign and Price River water well.
Note vegetation surrounding the pumphouse.

July 21, 2006

Reclaimed site. Note location of tree, buffer zone sign and Price River water well. Note vegetation in location of former pumphouse.

PRICE RIVER PUMPHOUSE SUBSURFACE STRUCTURE

June 29, 2004

Note yellow stairs on pumphouse structure. Bridge and Price River in background. In foreground, pipes enter pumphouse from the clear water pond.

Location of Price River Water well to the far right in the background. June 29 2004

June 29, 2004

Note location of yellow ladder. Photo illustrates pipes coming in from clear water pond and four pipes emerging from the cement floor of the pumphouse.

RECLAMATION OF BRIDGE AND SLUICEWAY

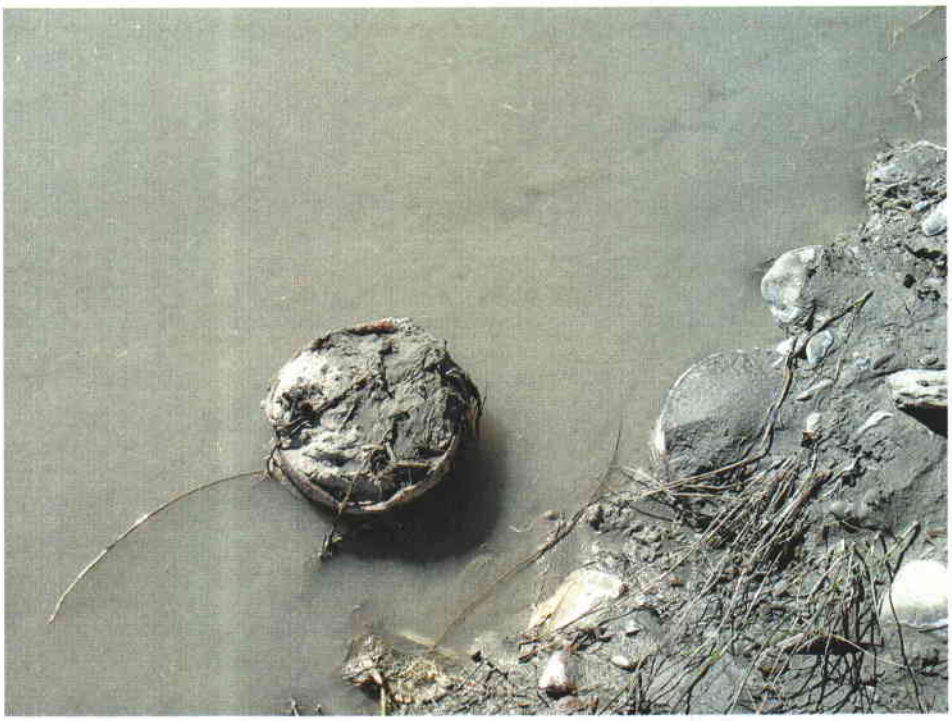
April 28, 2005

The swollen Price River may have obscured pipes severed during reclamation work.

May 12, 2005

October 26, 2006

Two pipes on right riverbank have recently been exposed by low water.



October 26, 2006

Two pipes clogged with sediment are seen in this photograph.

TAB E

Inspector's Statement

UTAH

DNR

OIL, GAS & MINING

Internal
C0070012

OK

EVENT VIOLATION INSPECTOR'S STATEMENT

Company/Mine: NEICO/Wellington Prep Plant
Permit #: C/007/012

NOV # N06-37-1-1
Violation # 1 of 1

A. SERIOUSNESS

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation**. Mark and explain each event.

- ☐ a. Activity outside the approved permit area.
- ☐ b. Injury to the public (public safety).
- ☐ c. Damage to property.
- ☒ d. Conducting activities without appropriate approvals.
- ☐ e. Environmental harm.
- ☐ f. Water pollution.
- ☐ g. Loss of reclamation/revegetation potential.
- ☐ h. Reduced establishment, diverse and effective vegetative cover.
- ☐ i. No event occurred as a result of the violation.
- ☐ j. Other.

Explanation: The past use of the Price River Water Collection Well is described in MRP Sec. 5.26, Item GG. Closure of the pumphouse River Water collection well is described in the MRP Sec. 5.42.2 item 2, page 5.40. Protection of water wells is described in the MRP Sec. 7.38. Closure of the Price River water well did not occur during reclamation of the Price River Pumphouse as described.

MRP Sec 5.30 describes the operation and function and capacities of the Auxiliary (pg. 2). and Dryer ponds (pg. 7).

MRP Sec 5.26 , Item H. describes the Price River pumphouse sump, fed by the Price River. MRP Sec. 5.26 Item AA describes the buried clearwater pipeline that used to carry water from the Price River Pumphouse to the Auxilliary pond.

MRP Sec. 5.26 Items P. and JJ. describe the past and current uses of the Auxiliary and Dryer ponds. The Dryer Pond was enlarged in 1994 and a spillway was constructed in 1997 (App. L). Maps 1 & 2 in App. L illustrate the Dryer Sediment Pond; however, the culvert carrying inflows at approximately 1 - 2 gpm is not shown on these Maps or on Map 712 e (which shows the configuration of the pond before the spillway was constructed) or discussed in the MRP Sec. 5.26 or Sec. 5.30.

The water flowing into the Dryer pond from this new source is not described in the MRP and is the subject of the Notice of Violation.

Identifying the source of the flow into the Dryer pond was of keen interest to the Division inspector during many inspections in 2005 and 2006. The culvert end was not noticed until water began flowing into the Dryer pond (first noticed in 2005). The source was not readily identified, because the inlet to the culvert could not be found and because the source of the water inflow to the Dryer pond is not described or documented in the plan. After searching for a water source in the adjacent farm fields and discussing the culvert (which goes beneath the railroad tracks) with the Union Pacific Railroad employees (see Insp. Rpt #828, Dec. 20, 2005), the Division theorized that the source of the water was the buried clear water pipeline which may have been severed beneath the surface during the Price River Pumphouse reclamation. The buried pipeline is shown on the 1981 Plate E9-3341, although it was removed from the existing MRP Plate E9-3341.

The Division requested closure of the Price River Water Well to stop the flow to the broken pipe. Rather than close the well, the Permittee provided a management plan on July 5. The information provided did not define the source of the water or quantity of flow. The water may be flowing into the pipeline end directly from the Price River, or it may be coming from the adjacent Price River Water Well fed by the Price River. Both possibilities are supported by the Map E9-3430 which provides a schematic of the Pumphouse and which shows a buried pipe from the Price River Water Well entering the Pumphouse and the Buried Clearwater pipeline exiting the Pumphouse, running under the sluiceway to the opposite river bank.

The reclamation plan calls for removal of the Dryer pond, but this will not be possible with constant water flow into the pond.

2. Has the even occurred? Yes

   If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: Pipes leading from the Price River Pumphouse to the Price River water well and to the Dryer pond were left beneath the reclaimed surface.

A bog has been created in the vicinity of the former pumphouse. Reclamation was completed at the pumphouse in late fall 2004. Water was first noticed flowing into the Dryer pond in January 2005. There is a possibility that the source of both flows to the bog and to the Dryer pond is the adjacent Price River Water Well. There is also a possibility that the pipeline beneath the Price River has rusted through or was broken and is now bringing river water into the vinicity of the reclaimed pumphouse and Dryer pond.

3. Did any damage occur as a result of the violation? No

   If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not bee discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: Water in the Dryer pond has accumulated to a three-foot depth. There has been no discharge. A small wetland has developed along the water's edge. In May 2006, the water appeared to have reached equilibrium with the source, but in June, evaporation of water into the pond allowed more inflows to be seen. Water is still flowing into the pond.

There is standing water in the Price River Water Well housing that is upgradient from the boggy ground, suggesting a raised water table. A photograph of this water well (and adjacent pipe and cistern) is attached to the Partial Insp. Rpt. #881 (Feb. 28, 2006). The Price Water well has not been used since reclamation of the Covol Plant.

Soils in the pumphouse vicinity were sampled by U.S. SteelCorp in 1983 (Sample #4A, Table 2-4, Sec. 2.22 of the MRP). This 0 - 12 inch sample indicates that the soils were sandy in texture, had a pH of 8.9, with an Electrical Conductivity of 0.5 mmhos/cm. The major cation was magnesium. Since the reclamation work, there is a likely increase in soil salinity from evaporation of the boggy soils at the location of the Price River Pumphouse reclamation site (see photograph of salt accumulation in the pocks that accompanies the Insp. Rpt. #881 Feb. 28, 2006). A naturally occurring band of alkaline soils along the Price River Banks supports native plant species. And since, there is currently vegetation growing in the bog (reeds and saltgrass), it is likely that native species will tolerate the increased salinity. However, the NOV has been modified to request soil sampling of the boggy soils to determine the salinity of the affected soils.

B. DEGREE OF FAULT (Check the statements which apply to the violation and discuss).

☐ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: _____

☒ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: This chain of events occurred when the Permittee allowed a contractor to remove scrap metal from the site in 2002 (as described in Sec. 5.40, pg. 6). The contractor also removed the Price River Pumphouse (without authorization) and precipitated the reclamation of the pumphouse site. The Permittee broadened the reclamation work to include removal of a bridge and sluiceway from the pumphouse area. The Permittee removed a cement ditch that frequently carried clear water from the pumphouse site to the Price River (Insp. Rpt. #857 Jan. 31, 2006). Grading was completed in fall 2004. The Permittee conducted reclamation without understanding the network of subsurface pipes and the connection of the Price River Well and sump to the pumphouse. The violation occurred as a result of lack of familiarity with the operations of the Price River Pumphouse facility as described in the MRP and shown on Map E9-3430 and formerly shown on Map E9-3341.

The Permittee did not take corrective action to identify the source of the water over the course of a year, although it was of keen interest to the Division Inspector [See Insp. Rpt. #686 (July 29, 2005), #762 (Oct. 19, 2005), #798 (Nov. 30, 2005), #857 (Jan. 31, 2006), #881 (Feb. 28, 2006)]. The Division requested an update to the MRP providing the source of the water inflow to the Dryer pond and water quality information (see Complete Inspection Report #828 (December 20, 2005), Complete Inspection Report #911 (March 2006). The Division requested closure of the Price River Water well in March, (Insp. Rpt. #911), and again in May (Insp. Rpt #962). The complete inspection of June 2006 was held open until July 6 when a "management plan" was received from the Permittee. The Division determined that the management plan did not define the source of the water or provide enough detail for operation or reclamation. After working with the Permittee for one year on the issue, without making much progress, the Division wrote the violation.

☐ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: _____

☐ Was the operator in violation of a specific permit condition?

Explanation: _____

☐ Has DOGM or OSM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: _____

C. GOOD FAITH

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: Abatement dates have not arrived. Good faith points could be given if Permittee meets abatement deadlines.

2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: The MRP summarizes the reclamation of the Price River Pumphouse in Sec. 5.40. The Permittee was asked in December 2005 (Insp. Rpt #828) to update the information on Plate E9-3341 to show the retained plant pumphouse and buried clear water pipeline. The Permittee could have looked through the Division's archives for this information or looked through their

own archived information. The NOV requests that if water continues to flow into the Dryer Pond, the Permittee provide a management plan for operations and reclamation of the Dryer Pond, including an assessment of the flow in ac/ft/yr.

The Permittee was asked in December 2005 to take a water sample from the flow into the Dryer Pond. This sample was taken Feb. 22, 2006 and the results of the sample were viewed during the March 28, 2006 inspection (Insp. Rpt #911).

To abate the NOV, the Permittee has been asked to either close the Price River water collection well or develop a management plan, including a determination of the operational status of the Price River Well and which answers the question of whether well is contributing to flows in the Dryer pond. The Permittee's Resident Agent would need to hire a contractor to dig out the pipes and observe water flows. Two months abatement time after issuing the NOV allows for plenty of time to get a contractor.

3. Was the submission of plans prior to physical activity required by this NOV / CO? No If yes, explain.

Explanation: _____

Priscilla W. Burton
Authorized Representative

Priscilla W. Burton
Signature

July 21, 2006
Date

O:\007012.WEL\Compliance\2006\N06-37-1-1event.doc

TAB F

Approved Mining and Reclamation Plan Narrative

UTAH

DNR

OIL, GAS & MINING

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EFFECTIVE:
OCT 27 1997
UTAH DIVISION OIL, GAS AND MINING

Historic land use of area has been dominated by grazing of domestic livestock, wildlife habitat and limited crop production. About 400 acres within the property boundaries have been disturbed by coal cleaning and preparation operations since 1958.

Operations at Wellington

History

From 1958 until 1985, the operation history of the property was that of receiving coal by rail, preparation (coal cleaning) and shipping of a blended product by rail.

Recent Past

However, when Genwal Coal Company purchased the area that operation was terminated. The railroad load-out facility at Wellington then consisted of a much simplified flow of product. Coal was crushed at the mine site, transported by truck to the Wellington facility, temporarily stored on the ground, screened, and then loaded into waiting railcars. The actual loading operation was part of a new system installed by Genwal Coal Company in September and October of 1989 and made operational during November of 1989. The new loading system used only one conveyor belt system of the old Kaiser/U.S. Steel preparation plant.

Present

The present owners are currently evaluating the economic value of the coal cleaning facility but have no plans at this time for the system as described in previous permitting information by U.S. Steel or Kaiser Coal Corporation. Hence, NEICO and IPA are

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OCT 27 1997
97F

maintaining the existing "moth balled" plant during the period of evaluation.

Many of the engineering evaluations done in the past on embankments, slurry ponds, and ditches will be re-submitted and prefaced with an updated condition of the structure and its relationship to the current operation.

The Wellington Loadout Facility is currently being used only to store and load coal. All transportation of coal from the mine and screening has currently been discontinued. It is likely that when the present coal pile has been sold and moved off the site, the area will no longer be used as a loadout facility.

Future

The Wellington site has been proposed as an industrial area. The area is zoned "heavy industrial" and current negotiations are being conducted to develop it as such. General (and some specific) plans have been outlined previously to the State of Utah, Division of Oil, Gas & Mining (DOGM). If feasible, plans and amendments to the present permit will be conducted and f

1.

Existing Structures

With the recent cons ning plant (1989), some equipment was moved to the site, while other existing equipment was utilized. For a map showing the location of the load-out pad, refer to Dwg. 4067-6-8A. Exhibits 1 through 6 (in the following

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pages) show photographs of the existing Wellington Plant facilities.

Exhibit 6 shows the small screening plant that was moved to the Wellington site for the load-out operations.

The coal sampling and load-out conveyor system that was previously in existence is utilized in conjunction with the load-out facility. No modification or alteration of these facilities

The majority of the present Wellington Plant facilities, however, were constructed in 1957-58. Several other structures remain from past coal preparation operations, some of which are presently being used, while others are idle at this time. Described below are the remaining existing structures on the Wellington site. For a map showing these structures and facilities, refer to Dwg. E9-3341.

A. Bridge

Past Use - This bridge is a concrete structure over the Price River. It was the main entrance area to the site in past.

Present Use - The bridge is primarily used by local farmers to access the croplands.

B. Electric Power Substation

Past Use - The electric power substation receives the incoming power at the

F. Heat Dryer and Conveyor Past Use - The heat dryer is a plant that received wet, clean coal from the coal cleaning process, reduced the moisture to a nominal 5.5% and returned the dry coal to the loading bins in the coal cleaning plant.

Present Use - This structure has been demolished and removed.

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97F
UTAH DIVISION OIL, GAS AND MINING

G. Slurry Pipeline and Support Structure

Past Use - The refuse from the coal cleaning process was pumped to the refuse disposal area through an elevated 12 inch steel pipeline supported by steel structures on concrete piers.

Present Use - The structure has been partially removed. The remaining structure is to be used to support cross-land conveyors for the transportation of materials from the west side of the rail spur to the refuse basin. Materials will include, but are not limited to, cover soil for final reclamation and coal refuse for cleaning and separating.

H. River Pumphouse

Past Use - The pumphouse is a steel structure with corrugated steel siding that housed the pumps that pumped water from the sump fed by the Price River to the Clear Water Pond for makeup water which was lost in the heat drying process and to evaporation due to low humidity.

Present Use - The structure is not used for present operations.

I. Coarse Refuse Bin

Present Use - This is a steel structure that accumulated the coarse refuse for

Present Use - The impounding structure that forms the lower refuse pond basin. The existing drain pipes will be rehabilitated.

V. Clearwater Pond

Past Use - The clear water pond provided storage for the clarified water that was used in coal processing.

Present Use - Will remain to be used for sediment control at final reclamation. A few feet of coal fines have accumulated in the bottom of this pond and will be removed with heavy equipment prior to the introduction of any water. These fines will be stockpiled near the modular wash plant for future processing. Access will be from the northwest side of the pond from an existing road. It will be used to reclaim excess water from the refuse ponds, provide recycle process make-up water to the modular coal washing plant, and although very unlikely, could contain stormwater runoff. Filling the pond from the River Water Collection well and/or the river diversion to the River Pumphouse will begin immediately upon approval by DOGM.

W. Clearwater Dike

Past Use - The impounding structure for the Clear Water Pond.

Present Use - The impounding structure for the Clear Water Pond basin. The existing drain pipes and decant structures will be rehabilitated.

X. Coarse Refuse Pile

Past Use - The Coarse Refuse Pile was the disposal area for coarse reject from the coal cleaning process.

Present Use - The south end of the pile is the location of the construction of the modular coal fines wash plant.

Y. Siaperas Ditch

Past Use - Used for irrigation return flows and to receive natural storm drainage.

Present Use - Used to divert irrigation and storm water away from the upper Refuse Basin.

AA. Clear Water Pipeline

Past Use - A buried line that carried water from the Clear Water Pond to the coal cleaning plant for processing raw coal.

Present Use - The structure is not used for present operations.

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BB. Material and Equipment Storage Area

Past Use-Was storage for equipment and various repair, maintenance, and construction materials that were required to support the coal cleaning plant operation.
Present Use-Same use as described above for current operations.

CC. Scrap Metal Storage Area

Past Use-Was used as a holding area for recyclable scrap metal.
Present Use-Storage area.

DD. Wood Storage Area

Past Use-Was used to store wood that was removed from the coal cleaning process.
Present Use-Storage area.

EE. Non-Coal Waste Holding Area

Past Use-Area was used for non-coal waste, then it was hauled to a sanitary landfill.
Present Use-Same as above.

FF. Oil Drum Storage Area

Past Use-Area stored "returnable oil drums" during the coal cleaning operation.
Present Use-Storage area.

GG. River Water Collection Well

Past Use-Was used to pump water from the well, fed by the Price River through the unconsolidated alluvial, into the sump in the pumphouse (H).
Present Use- Will provide make-up water to the dredging ~~operation and modular fine~~ coal cleaning plant.

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HH. Road Pond

Past Use - Received plant discharge and runoff volumes. The holding capacity of it will combine with the Auxiliary Pond by a culvert.

Present Use - The pond is used (in part) for runoff ~~control of Watershed No. 4.~~

II. Pond Fill Pile

Past Use - Material from excavation of the Road, an incised pond.

Present Use - (same as above)

JJ. Heat Dryer Pond

Past Use - Was used as a catch basin for effluent waters from the heat drying process and excess runoff.

Present Use - The pond is used (in part) for runoff control of Watershed No. 4.

KK. Pond Fill Pile

Past Use - Material from excavation of the Heat Dryer Pond, an incised pond.

Present Use - (same as above)

LL. Natural Gas Pipeline

Past Use - Provides natural gas for the facilities.

Present Use - (same as above)

MM. Diversion Ditch (UD-1 & UD-LA)

Past Use - (constructed recently)

5.40. RECLAMATION PLAN

5.41. GENERAL

5.41.1. thru 5.41.4. CESSATION OF OPERATIONS

At such time that the coal preparation and loading activities are completed, all the affected areas at the Wellington Coal Preparation Plant will be closed, backfilled, or otherwise permanently reclaimed in accordance with the R645 Rules and the approved permit.

5.42. NARRATIVES, MAPS AND PLANS.

5.42.1. TIMETABLE.

Reclamation Plan - West of the Price River

The disturbed areas occupied by the Coal Cleaning Plant buildings, railroad tracks, roads and structures are projected for more than 30 years of future operation. It is probable that the plant area including the plant railroad track will continue as an industrial land use classification in the event the Operator abandons the area. However, the reclamation plan is based on a return of the disturbed area to the pre-disturbance land use of undeveloped land.

The execution of the reclamation plan will begin with the decision to terminate the operation of the coal cleaning facilities and return of the disturbed land to the per-disturbance land use is as follows:

Reclamation Timetable - West of Price River

Estimated Completion Time	Description
9 Months	(1) Dismantle and remove surface facilities; dispose of demolished concrete in the track hopper, office basement and other areas 2 feet below the reclaimed surface elevation.
3 Months	(1) (Maintain Dryer Sediment Pond and Plant Sediment Pond in operation until removal is authorized by the Division.) Grade to final contours and prepare the seedbed. If the completion of the preparation of the seedbed is not timely for fall seeding, the area will be seeded the following March-April.
Year 2	(1) Reseed as necessary in the spring or fall planting seasons.
Year 3-5	(1) Monitor revegetation success.
	(2) Measure success of revegetation.

(3) Remove sedimentation controls (including regrading of the Dryer Sediment Pond and Plant Sediment Pond) when authorized to do so by the Division and the disturbed area has been stabilized and revegetated. Revegetate disturbed areas in accordance with the Revegetation Plan for miscellaneous areas (see Appendix I of the Determination of Completeness Response).

(4) Seal monitoring wells west of the Price River.

East of the Price River

The execution of the Plan to reclaim the refuse disposal area east of the Price River will begin with a determination that the area is filled to capacity or with the decision to terminate the operation of the Coal Cleaning Plant operations. The refuse disposal area is estimated to have a life exceeding 30 years. The pumphouse area will be required for the life of the Coal Cleaning Plant. The reclamation plan assumes that all facilities east of the Price River will be reclaimed concurrently with the facilities west of the Price River. The reclamation plan is based on returning all disturbed areas to a pre-disturbed land use of "undeveloped land".

Reclamation Timetable - East of Price River

Estimated Completion Time	Description
6 Months	(1) Dismantle and remove surface facilities including pumphouse area, river water collection well, slurry pipeline, etc.
	(2) Demolish and dispose of concrete in voids 2 feet below grade (pumphouse sump).
11 Months	(1) Grade all areas to final contours as shown on Map E9-3342. Place soil cover on Coarse Slurry Pond Refuse Pile, Upper and Lower Refuse Basins, river pump house and slurry pipeline areas. Prepare the seedbed in accord with the revegetation plan.
	(2) Seed all disturbed areas in accord with the revegetation plan in September-October. If the seedbed preparation is not timely for fall seeding, the areas will be seeded the following March-April seeding season.
Year 2	(1) Reseed as necessary in the spring or fall.
Year 3-5	(1) Monitor for revegetation progress.
	(2) Remove clear water pond by grading the impounding structure against the lower refuse dike as shown on Map E9-3342. Revegetate the disturbed area in accordance with the revegetation

plan for miscellaneous areas. Remove sedimentation controls when authorized to do so by the Division and the disturbed area has been stabilized and revegetated.

5.42.2. THRU 5.42.7.42. BACKFILLING AND GRADING PLAN.

Reclaimed surface contours are shown on Drawing No. E9-3342. The reclamation plan includes the removing of all buildings and revegetation of all disturbed areas. The ground surface will be graded to the contours shown on Drawing No. E9-3342 and revegetated. The reclamation cover and revegetation plan is discussed in Section 3.41. The Plant Coarse Refuse Pile will be covered with 48 inches of top soil. The Coarse Slurry Pond Refuse Pile will be covered with 48 inches of top soil. The Upper and Lower Refuse basins will be covered with 48 inches of top soil. Two permanent diversion ditches will serve to protect the refuse basins from runoff from surrounding areas. The permanent diversion ditch on the east side of the Upper Refuse Basin conveys runoff flows north to the Siaperas Ditch. The proposed permanent ditch along the east side of the Lower Refuse Basin will convey runoff flows to the Price river. See hydrologic and hydraulic calculations in Volume II - Hydrology Appendix. A discussion of final reclaimed surface drainage patterns is presented in Section 7.60.

1. Coarse Slurry Pond Area

The surface of the Coarse Slurry Pond Refuse Pile, Upper Refuse Basin, and Lower Refuse Basin will be graded as shown on drawing E9-3342. Except for the North Dike on the Siaperas ditch side, final surface slopes will be much flatter than 2 horizontal to 1 vertical. The North Dike on the Siaperas ditch side will be maintained at 2 horziontal to 1 vertical. Final slopes across the reclaimed surface of the refuse will have factors of safety against slope failure which are better than or equal to the minimum required safety factors (minimum long term safety factor of 1.5, see stability analysis for refuse dikes in appendices C, D, and E).

The top of the Upper Refuse Dike will be graded even with the final surface contours to preclude the impoundment of any water following reclamation. The top of the Lower Refuse Dike will be graded even with the final surface contours to preclude impounding any water.

The downstream face of the Upper Refuse Dike will be regraded to a 5:1 slope to reduce the potential for erosion. Upon completion of subgrade grading, a 48 inch soil cover will be placed over the Upper and Lower Refuse basins.

The Clear Water Pond will be used to provide sedimentation control for the refuse disposal area during reclamation. Upon achieving adequate revegetation success, the Clear Water Dike will be graded against the Lower Refuse Dike and revegetated.

2. Pumphouse Area

The pumphouse area will be regraded to smooth contours and cover concrete foundations with at least two feet of soil. When the River Water Collection well was constructed, the material removed from the well was piled around the circumference. The surface portion of the well casing will be removed (at least two feet below final grade). The well will then be filled with soil from the pumphouse area.

5.42.2. THRU 5.42.7.42. BACKFILLING AND GRADING PLAN.

2a. Modular Coal Fines Wash Plant Area

The surface of the modular coal fines wash plant area will be graded as a continuation of the approved plan shown on Drawing No. E9-3342. The topsoil borrow required is about 1,182 cubic yards and will be obtained from topsoil borrow area "B" (see Drawing No. G9-3511 and Topsoil Balance Calculations, Section 2.40, page 1c).

Prior to topsoiling, all areas that have not been recently graded will be scarified to break up any hardpan that may exist. Gravel material used throughout the plant area will be salvaged where possible. Three feet of cover material will be placed over the area of the wash plant where the Coarse Slurry Pond Refuse exists. Then topsoil placement of 1 ft. over the entire area will be done with either scrapers or small dozers. The topsoil will be pocked a few inches deep in preparation for the revegetation treatment per the revegetation plan in Section 3.41.

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3. Area West of the Price River

The main plant facilities area west of the Price River will be regraded as shown on the Map E9-3342 following the removal of the surface facilities. Culverts beneath the plant railroad system will be removed and the surface regraded to maintain drainage to the culverts beneath the D&RG Railroad Mainline. The fills constructed for the plant railroad system and the ponds will be contoured to blend with the surrounding areas. The diversion ditch will be regraded as shown on Map E9-3342. The regraded areas will be prepared and seeded in accordance with the revetation plan (see Section 3.41).

4. Refuse Disposal Area West of Price River (Plant Refuse Pile)

The surface of the plant refuse pile will be graded to the final slopes as shown on drawings 536a and 536b. A 48 inch soil cover will be placed over the refuse pile to provide a medium for achieving revegetation success. Final reclamation channels will be constructed around the pile as shown on Drawing 536a.

5. Top Soil Borrow Areas

During the removal of required top soil from the borrow areas (see Drawing G9-3511 for potential top soil borrow area sites), the top soil borrow areas will be graded as shown on Map E9-3342. The surface of the top soil borrow areas will then be ripped, prepared and seeded in accordance with the revegetation plan (see Section 3.41).

Refer to Section 2.41 for a discussion of the top soil borrow areas and Section 7.60 for a discussion of final reclamation drainage patterns.

5.42.8. RECLAMATION COST ESTIMATE

Detailed calculations of the reclamation cost are presented in Appendix J. The total estimated reclamation cost including project management, engineering, and contingency is presented in Section 8.30.1.40.

Recent Reclamation Activities

In recent years (1997-1999), the following reclamation activities have been conducted at the Wellington Preparation Plant site.

1. Demolition and removal of all buildings on the west side of Price River including the offices, shops, heat dryer, track hopper, storehouse, coal carbonization lab, plant pumphouse, oil storage building and the main wash plant.

2. The following structures and support facilities were removed from the site: electric substation, raw coal conveyors, coarse refuse bin, slurry pipeline, and some associated pipeline structures.

3. General clean-up of the area was conducted including removing or burial of foundation concrete, powerline poles, existing scrap metal from storage areas, and all other waste products and debris from the general area.

4. Final site grading of the area was also accomplished.

5. Soil surveys were conducted in areas that could be used to replace the approved borrow areas (if needed for future postmining land use changes).

6. Removal of the two (2) topsoil storage piles that were located near the access road were relocated to another topsoil storage location near the Coarse Refuse Pile within the existing permit area.

Proposed New Reclamation

To continue these reclamation activities NEICO has approved a contractor to remove the remaining support structures that elevate the slurry pipeline across the railroad tracks, the bottomlands of the property, and the Price River (see Figures 5.40-1 and 5.40.2). A description of the remaining structures follows.

During past coal cleaning operations at the Wellington Preparation Plant, a Slurry Pipeline transferred waste material from the main plant on the west side of the Price River to the Slurry Ponds on the east side of the river. Most of the pipeline itself has been removed from the property (with the exception of several lengths that have been cut, stacked and prepared for removal). However, the vertical support structures that elevated

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7.38 TEMPORARY CASING AND SEALING OF WELLS (R614-301-738)

Each well used to monitor ground water conditions will comply with R614-301-748 and will be protected during their use. Each water well will be cased, sealed or otherwise, managed as approved by the Division, to prevent acid or other toxic drainage from entering ground or surface water, to minimize disturbance to the hydrologic balance and to insure the safety of people, livestock, fish and wildlife, and machinery in the permit and adjacent area.

Summary of Current Site Conditions

With construction and operation of the Covol Wash Plant (CWP), some changes will occur to the hydrologic conditions within portions of the permit area on the east side of the Price River. There will be no effects from the CWP project to areas west of the River, thus all revisions to this chapter are relevant only to the east side. Revisions have been made to this chapter in order to update baseline information, and to assess the hydrologic consequences of the CWP project. In particular, Watershed #7 will be most affected by the CWP. Whereas the Refuse Basins have been essentially dry since 1984, water for dredging, and water contained within in the redeposited tailings, will be placed in the basins during the three years of CWP operations. However, all requirements for storm water containment and transport will continue to be met under the new operating scenario. In addition, the plant itself, and most ancillary facilities, will be constructed within Watershed #7, on ground previously disturbed by past operations. Although no runoff will leave Watershed #7, runoff and sediment control from the localized area surrounding the plant site has been designed to minimize erosion, as detailed in Section 7.42. Further, the small disturbance outside of Watershed #7 associated with the water pipelines will be treated within existing Alternative Sediment Control Areas #4 and 5. Lastly, changes have been made throughout this chapter to reflect the increased use of water for the CWP operations.

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TABLE 7.24-1
GROUND WATER RIGHTS SUMMARY IN THE WELLINGTON LOAD-OUT FACILITY AREA.

W.U. Claim No.	Owner	Flow, cfs	Use	Period of Use	Source	Location
91-1167	Pilling, Dale	0.011	Stockwatering	1/1-12/31	Spring	T15S, R10E, S1
91-117	Mariani Air Products Inc.	0.172	Industrial	1/1-12/31	Well	T15S, R11E, S7
91-202	Mariani Air Products Inc.	0.28	Industrial	1/1/-12/31	Well	T15S, R11E, S7
91-233	Wilson, Milton	0.015	Domestic Irrigation	1/1/-12/31	Well	T15S, R11E, S7
91-832	Mariani Air Products Inc.	0.28	Industrial	1/1/-12/31	Well	T15S, R11E, S7
91-833	Mariani Air Products Inc.	0.146	Industrial	1/1-12/31	Well	T15S, R11E, S7
91-4158	Holm, Terry & James	0.5	Irrigation Stockwatering Domestic	4/1-10/31 1/1-12/31 1/1-12/31	Spring	T15S, R11E, S8
91-215	Genwal Coal Co. Inc. with IPA and NEICO	10	Irrigation Industrial	3/1-11/30 1/1-12/31	Price River Well	T15S, R11E, S8 and S16
91-216	Genwal Coal Co. Inc. with IPA and NEICO	5	Irrigation Industrial	3/1-11/30 1/1-12/31	Price River Well	T15S, R11E, S8 and S16
91-266	Eureka Energy Co.	0.233	Industrial	1/1-12/31	Wells	T15S, R11E, S8
91-371	Genwal Coal Co. with IPA and NEICO	5.197	Irrigation Industrial	3/1-11/30 1/1-12/31	Price River Well	T15S, R11E, S8 and S16
91-4585	USA Bur. Land Mang.	0.015	Stockwatering Wildlife	1/1-12/31 1/1-12/31	Gas Well Spring	T15S, R11E, S12
91-4396	USA Bur. Land Mang.	0.015	Stockwatering Wildlife	1/1-12/31 1/1-12/31	Mud Spring	T15S, R11E, S13
91-254	Kaiser Coal Corp.	0.015	Industrial	1/1-12/31	Underground water sump	T15S, R11E, S16
91-255	Kaiser Coal Corp.	0.21	Industrial	1/1-12/31	Well	T15S, R11E, S16
91-4172	AMCA Coal Leasing Inc.	0.5	Mining	1/1-12/31	Well	T15S, R11E, S22

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7.27 Alternative Water Source Information (R645-301-727)

The owner/operator owns approximately 10 cubic feet per second of water rights in the Price River for industrial and irrigation uses at the Wellington Facility. While the cleaning plant is not operation the water usage for the facility is limited to small quantities. However, the owner/operator has committed in a lease agreement to provide Covol with up to 5 cubic feet per second of water from those water rights for operations at the Covol Wash Plant. Under current planning, as discussed further in Section 7.28 of this Chapter, Covol under its maximum water needs in Phase I, expects to use about 4.6 cfs of water pumped from the Price River collection well and/or the river diversion to the river pumphouse. During the bulk of operations in Phase II, water usage will be much less than during Phase I, averaging around 2 cfs on an annual basis, with pumping rates closer to about 3 cfs during summer months. The balance of the water rights are available for other activities if necessary at the plant.

The ownership and use of water under these water rights is covered by the State of Utah water laws and administrated by the Division of Water Rights, State Engineers Office. The use of the Price River water is monitored year-round by a water commissioner employed by the Price River Water Users and appointed by the State Engineer. In the event that the owner/operator's actions result in diminution or interruption to the water rights of a legitimate water used, the owner/operator will make available water from the owner/operator owned or controlled water rights during the diminution or interruptions.

The quality of the Price River water is administered by the State Department of Health. In the event that the quality of water becomes unsuitable for use by a legitimate water user due to actions by the owner/operator, the owner/operator will make available water from owned water right during the period

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storm conditions, TSS concentrations will increase in the Price river throughout the area of the storm, including the reach of the river adjacent to the loadout facility.

GROUND WATER

Ground water resources within the WCLF generally consist of shallow ground water aquifers of limited or marginal water quality. At increasing depths local subsurface geology consists of alluvium, bluegate shale, and Ferron Sandstone. The alluvium has been found locally to consist of an approximate 35 foot layer of sandy gravel mixed with clay. The sandy gravel layer of this upper zone is generally located within the lower portions of the alluvium and is the zone in which the shallow unconfined aquifer is located.

Local wells have not penetrated the Bluegate Shale (with the exception of GW-14) and therefore little information is contained herein related to its depth or the underlying characteristics of the Ferron Sandstone. The well log from GW-14 shows a 2 foot layer of saturated, soft, gray-dark gray shale from the 33 to the 35 foot depth, underlain by a tan-buff color sandstone. Well logs from GW-3, GW-7, GW-8 and GW-11 show minimum shale thicknesses ranging from two to nine feet thick. The evaluation contained herein related to the Ferron Sandstone has been developed from information provided by old oil exploration well logs.

As a general rule ground water resources within the area of the loadout include water contained within the shallow alluvial aquifer as identified above. As shown on Map E9-3451, the general direction of local ground water movement is to the south with the basic flow configuration in the direction of the Price river. With the limited amount of data available it is believed that the river is a "gaining" reach in the vicinity and thereby receives water from the surrounding shallow ground water aquifer.

Ground water sampling stations established by the applicant for the monitoring of the ground water aquifer include Stations GW-1 through GW-4, and GW-6 through GW-16, the locations of which are shown on Map E9-3451. Station GW-2 is proposed to be eliminated as a water quality monitoring station (although level will still be collected), station GW-5 has been proposed to be eliminated, abandoned, sealed and reclaimed, and stations GW-15 and GW-16 are proposed to be added as new water quality monitoring stations. (In November 1997, GW-5 was eliminated, abandoned, sealed, and reclaimed, and stations GW-15a, GW-15b, GW-16, and GW-17 were installed and added as new water quality monitoring stations.) A discussion related to the positioning of each identified station was previously given in Table 7.28-2. Considering 1) the direction of ground water movement, 2) the slope of the water table, and 3) estimates of aquifer permeability, an approximation of ground water velocity have been made. The average tested permeability reported in Table 7.22-8 for wells GW-6, GW-8 and GW-14 is 0.019 ft/min. Wells GW-2 and GW-9B were not included within the averaging because they were not believed to be representative of local aquifer conditions. Using this estimate, ground water velocity is estimated to be approximately 0.3 feet per day, or 100 feet per year.

No significant correlation was found to exist between sampled water quality and precipitation as indicated earlier in the discussion related to surface water quality.

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7.38 TEMPORARY CASING AND SEALING OF WELLS (R614-301-738)

Each well used to monitor ground water conditions will comply with R614-301-748 and will be protected during their use. Each water well will be cased, sealed or otherwise, managed as approved by the Division, to prevent acid or other toxic drainage from entering ground or surface water, to minimize disturbance to the hydrologic balance and to insure the safety of people, livestock, fish and wildlife, and machinery in the permit and adjacent area.

Uses and Rights

Ground water usage within the general vicinity of the permit area is limited due to water quality limitations. A listing of ground water rights and their uses is provided within Section 7.24 in Table 7.24-1. From the information provided it is seen that of the sixteen water rights listed the majority are used for industrial purposes with irrigation and stockwatering being less prevalent. Domestic, Wildlife and Mining uses are shown to be minimal. In terms of total volume of right, industrial and irrigation use far outweigh all other uses combined.

Seasonal Fluctuations

Little information is available on the amount of water that can be obtained from wells in the central portion of the basin. Waddell, et. al. (1981) reports that the Ferron Sandstone member of the Mancos Shale is the shallowest aquifer with water suitable for human consumption. The city of Emery utilizes a well completed in the lower part of the Ferron Sandstone for a public water supply. This well is capable of producing 150 to 200 gallons per minute. It is unknown if the formation would be capable of similar production further to the north near Wellington.

Only small seasonal fluctuations are noted at the wells located within the permit area as shown on Figure 7.24-6. Generally speaking, the highest water levels are found to exist in the late spring to early fall period. It is apparent from the plots that the shallow ground water aquifer is of a sufficiently tight nature that large fluctuations over short periods of time do not generally occur.

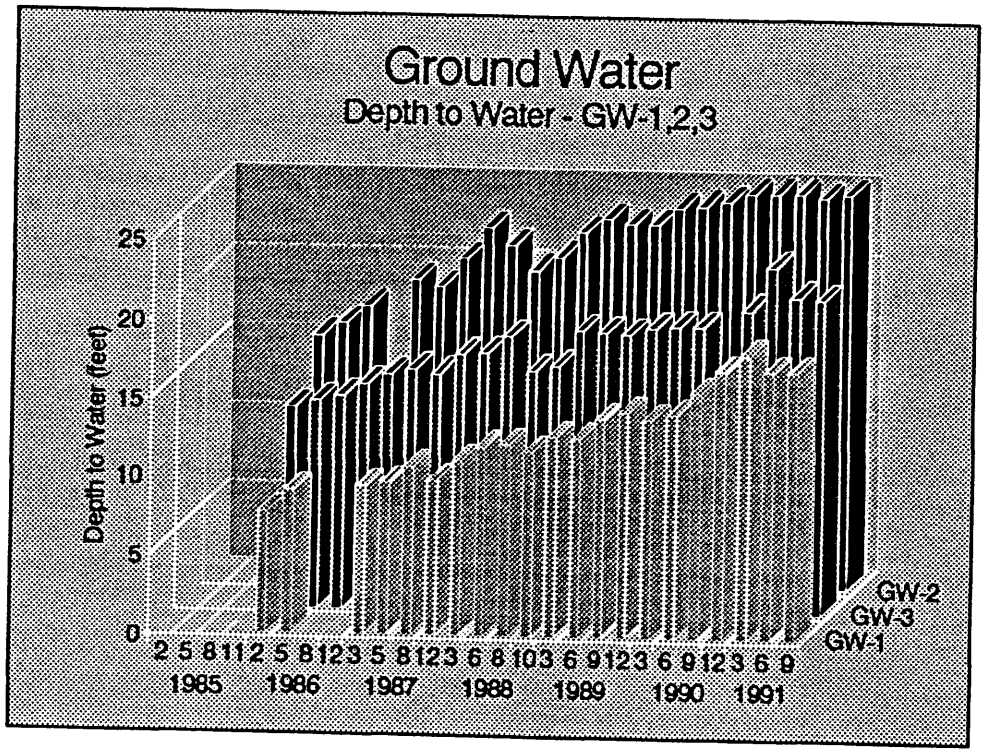
Ground Water Quality

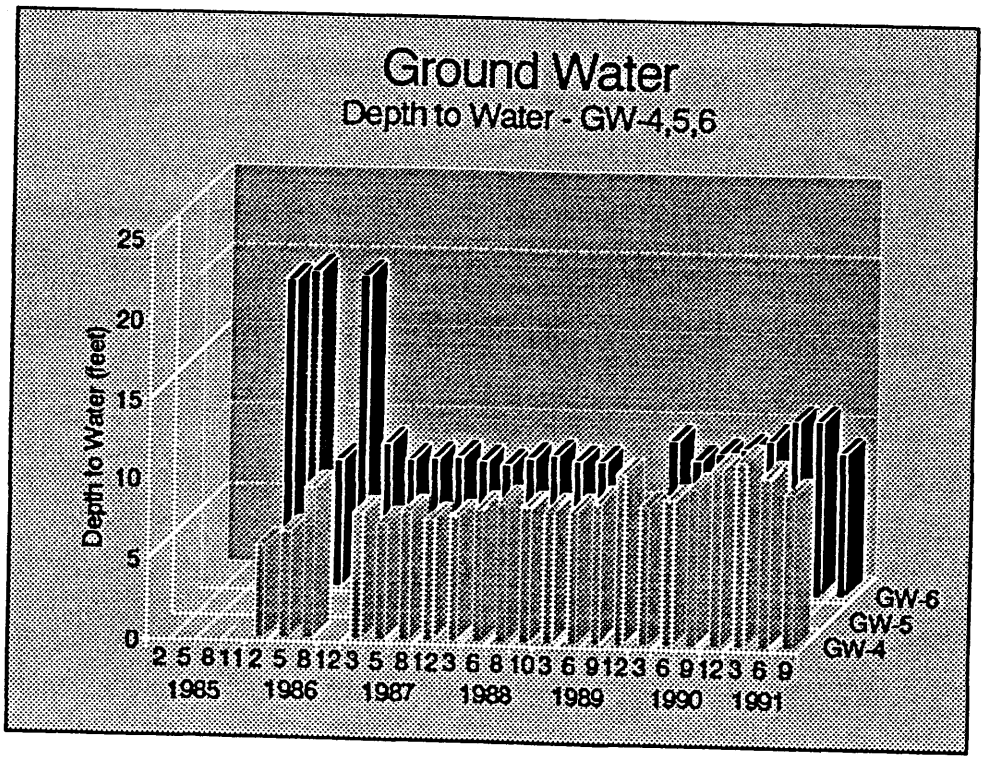
Ground water quality data in the upper reaches of the Price River basin are limited, consisting mostly of discharge measurements and water quality analyses for springs and mine effluent. The major source of ground water information in the central portion of the basin is obtained from the considerable number of shallow wells which have been constructed. Waddell, et. al. (1981) report the ground water from the Mancos shale is of poor quality with total dissolved solids concentrations averaging approximately 2,000 mg/l. Ground water samples from selected wells indicted that total dissolved solids ranged about 4,000 mg/l for the Blue Gate Shale and between approximately 650 to 1,230 mg/l for the Ferron Sandstone (Waddell, et. al., 1981). Based on the data reported in Section 7.24.1, the ground water found in the loadout area generally has much higher salt contents, is a strong sodium-sulfate type water, and has pH values indicating a predominantly neutral water.

Boron. This element is essential to plant nutrition and has been added to fertilizer in small amounts, especially in humid regions. Increases over the amount needed by some plant species however can be toxic to the plants.

Iron. Total iron concentrations are quite variable in all wells except GW-10 and GW-12 as shown in Figure 7.24-1. Concentrations ranged from 0.01 to 1,900 milligrams per liter. One potential reason for this variability may be due to the unfiltered nature of the sample, especially since ground water conditions seldom vary drastically over relatively short periods of time. For samples with high TSS concentrations when acidified, the iron from all materials in the sample contribute to

Figure 7.24-6
Time Variation in Water Level/Flow





TAB G

Approved Mining and Reclamation Plan Maps

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LEGEND

DRAINAGE BASIN BOUNDARY

PERMIT BOUNDARY

CULVERT

ALTERNATIVE SEDIMENT CONTROL AREA

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MAR 29 1996
DIV OF OIL, GAS & MINING

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ES, INC.
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MAP

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DRAWING NO.

LEGEND

DRAINAGE BASIN BOUNDARY

PERMIT BOUNDARY

CULVERT

ALTERNATIVE SEDIMENT CONTROL AREA

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RECEIVED
MAR 29 1996
DIV OF OIL, GAS & MINING

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CES, INC.
ARTION PLANT
MAP

DRAWING NO.
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SCALE
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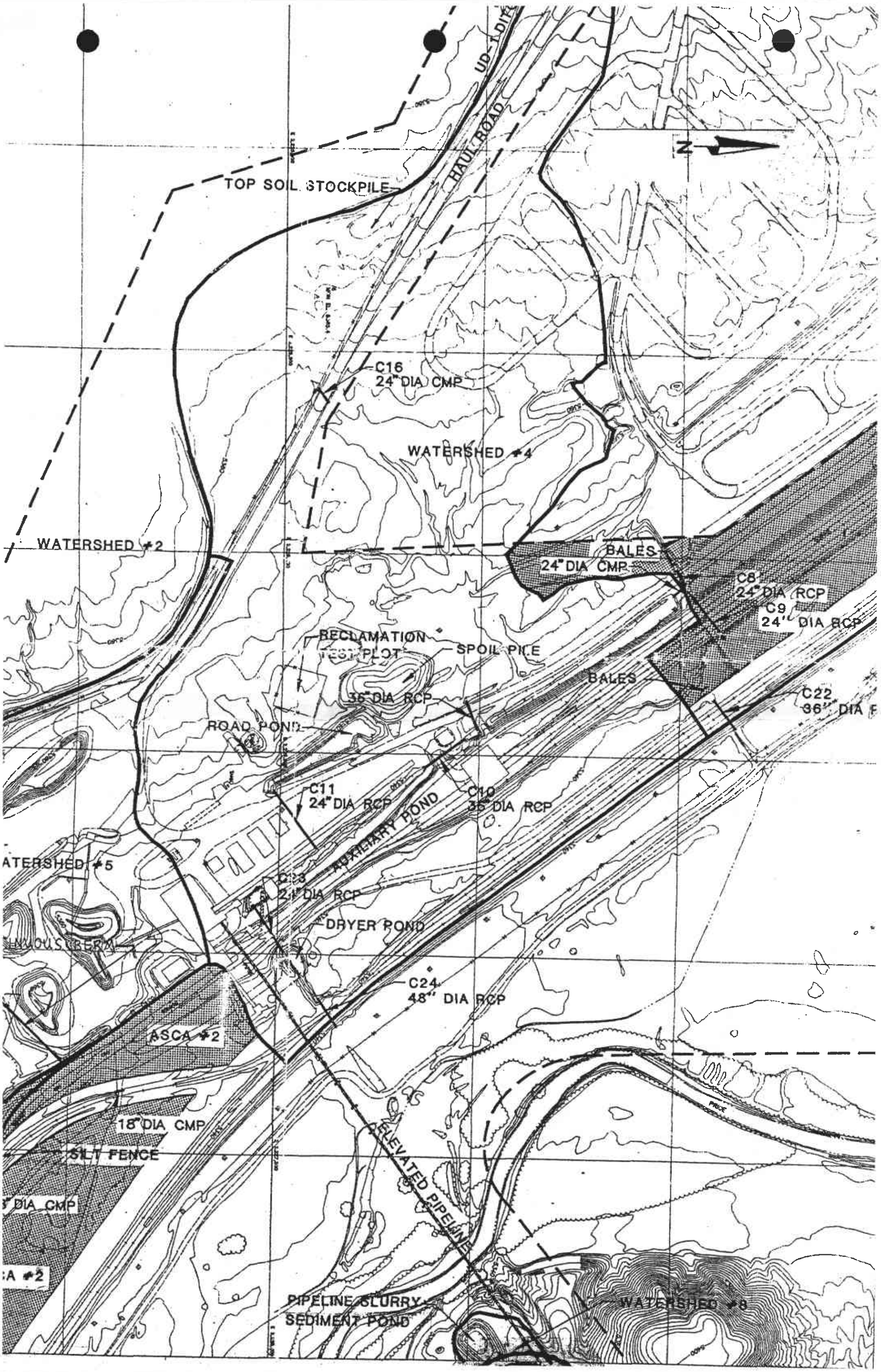

UD-1 DITCH
HAUL ROAD
N
TOP SOIL STOCKPILE
C16
24" DIA CMP
WATERSHED #4
WATERSHED #2
BALES
24" DIA CMP
C8
24" DIA RCP
C9
24" DIA RCP
RECLAMATION
TEST PLOT
SPOIL PILE
BALES
36" DIA RCP
C22
36" DIA
ROAD POND
C11
24" DIA RCP
C10
36" DIA RCP
AUXILIARY POND
ATERSHED #5
C23
24" DIA RCP
DRYER POND
C24
48" DIA RCP
ASCA #2
18" DIA CMP
SILT FENCE
DIA CMP
ELEVATED PIPELINE
PIPELINE SLURRY
SEDIMENT POND
WATERSHED #8

LEGEND

- DRAINAGE BASIN BOUNDARY
- PERMIT BOUNDARY
- CULVERT.
- ALTERNATIVE SEDIMENT CONTROL AREA

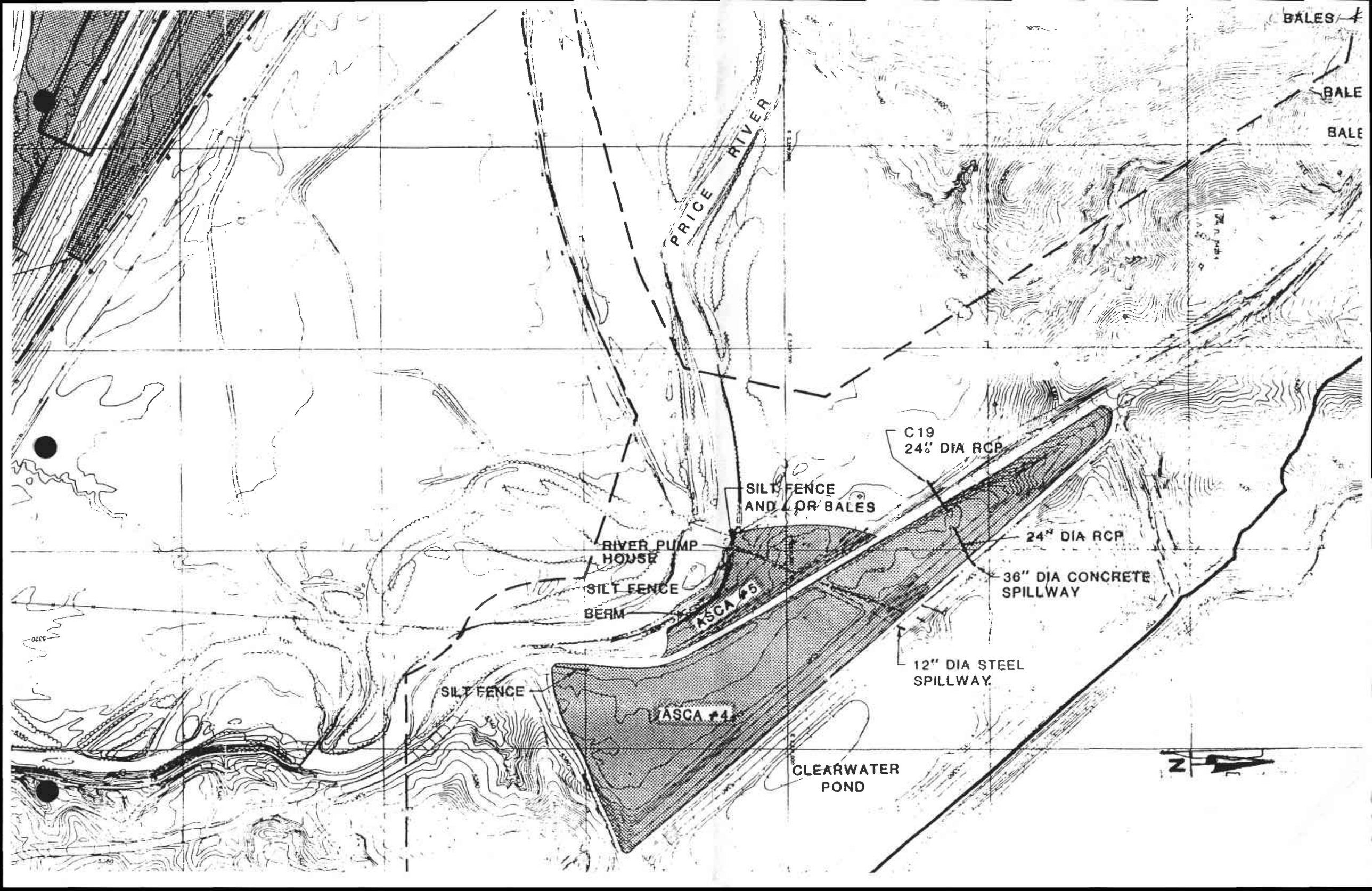
RECEIVED
MAR 29 1996
DIV OF OIL, GAS & MINI

INCORPORATE
EFFECTIVE:
FEB 12 1996

UTAH DIVISION OF OIL, GAS AND MINI

INC.
ON PLANT

DRAWING NO.
FG-174
(rev)
2 OF 2


BALES
BALE
BALE
PRICE RIVER
C19
24" DIA RCP
SILT FENCE
AND / OR BALES
24" DIA RCP
RIVER PUMP
HOUSE
36" DIA CONCRETE
SPILLWAY
SILT FENCE
BERM
ASCA #5
12" DIA STEEL
SPILLWAY
SILT FENCE
ASCA #4
CLEARWATER
POND
N

LEGEND

PROPERTY LINE

APPROXIMATE GROUND WATER CONTOUR

GROUND WATER MONITORING SITE (GW–

SURFACE WATER MONITORING SITE (SW–

UPDES DISCHARGE POINT (UDPES – 00

SCALE 1"=500

500' 250' 0 500' 1000' 1500'

CONTOUR INTERVAL 10'
PHOTOGRAPHY DATE JUNE 10, 1991

COVOL TECHNOLOGIES, INC.

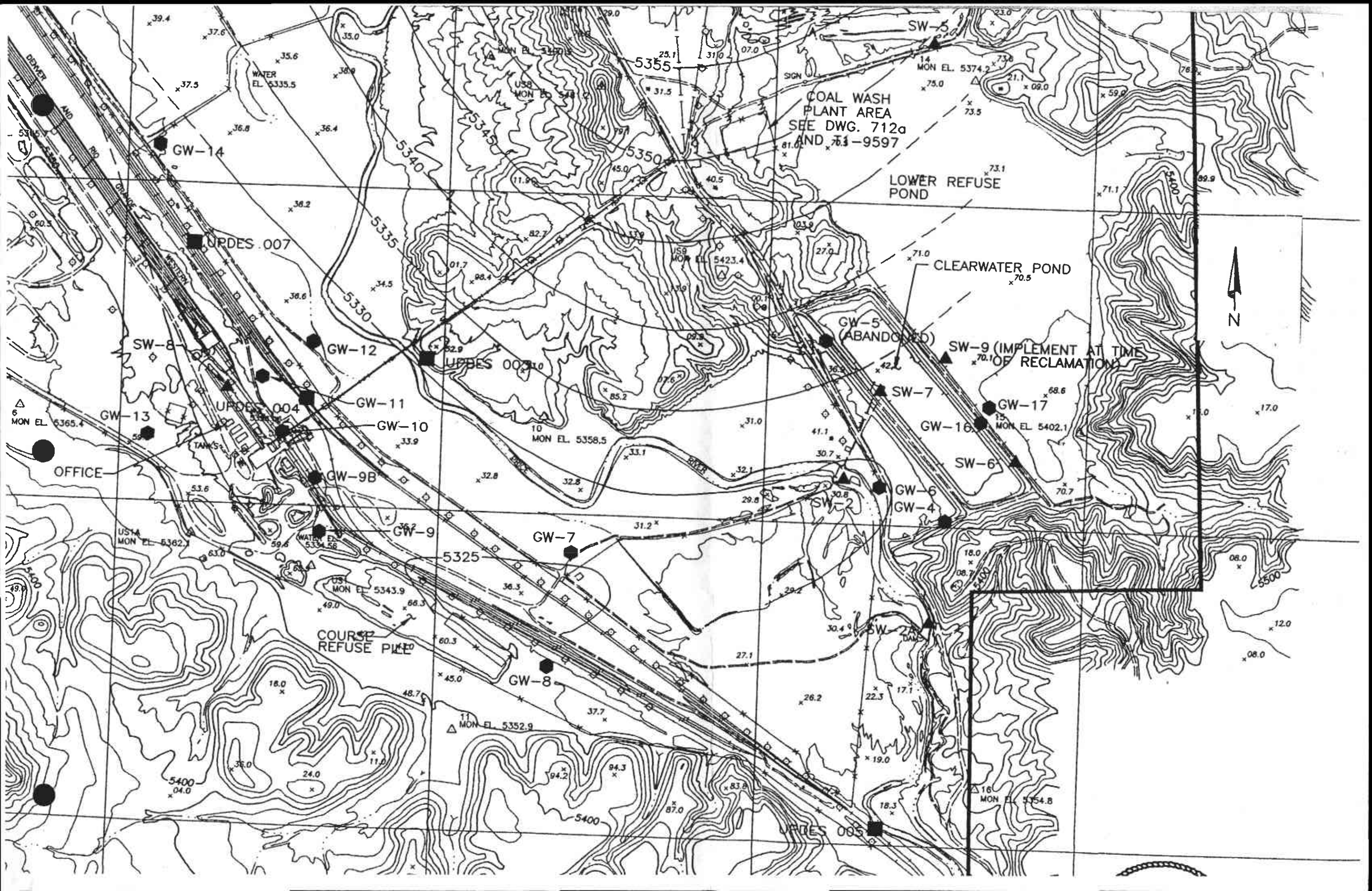
MODULAR COAL WASH PLANT – WELLINGTON, UTAH

HYDROLOGIC MONITORING MAP

E

OF

9


SW-5
COAL WASH
PLANT AREA
SEE DWG. 712a
AND 71-9597
LOWER REFUSE
POND
CLEARWATER POND
GW-14
UPDES 007
GW-12
UPDES 003
SW-8
GW-11
UPDES 004
GW-10
GW-13
OFFICE
GW-9B
GW-9
GW-7
GW-8
COURSE
REFUSE PILE
GW-5
(ABANDONED)
SW-9 (IMPLEMENT AT TIME
OF RECLAMATION)
SW-7
GW-17
GW-16
SW-6
GW-6
GW-4
SW-2
SW-2A
UPDES 005
WATER
EL. 5335.5
5355
5350
5345
5340
5335
5330
5325
5400
5500
N

An archived map E9-3341(from 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.]

PERMIT AREA =744 ACRES

AMENDMENT TO

APPROVED Mining & Reclamation Plan
Approved, Division of Oil, Gas & Mining

by Dwan Lewis date 7/2/88

RECEIVED
DEC 21 1987
DIVISION OF
OIL, GAS & MINING

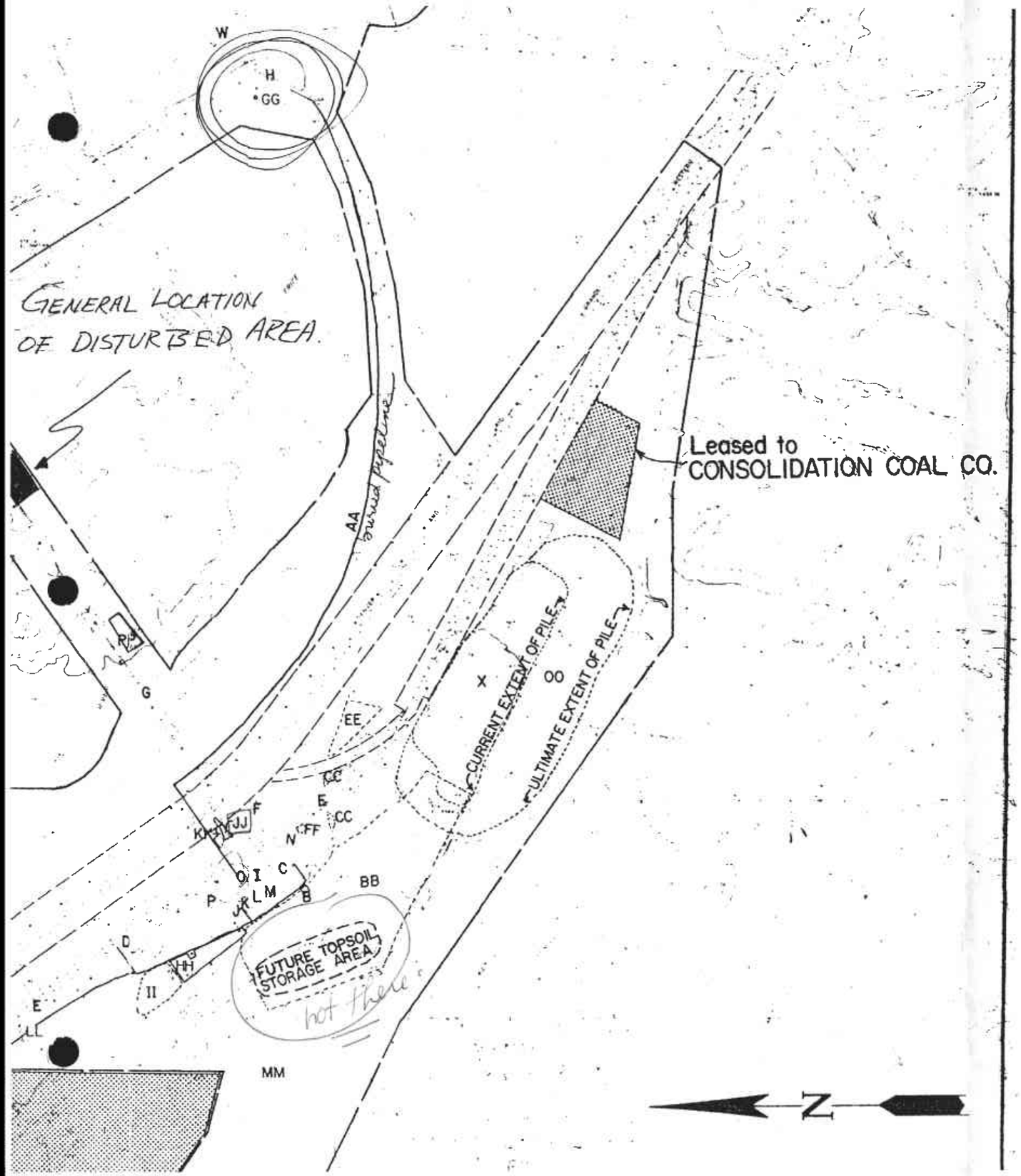
United States Steel Corporation
Western District – Coal
East Carbon, Utah

MINES E9-3450 C4-0071

WELLINGTON COAL CLEANING PLANT
PERMIT AREA AND FACILITIES MAP

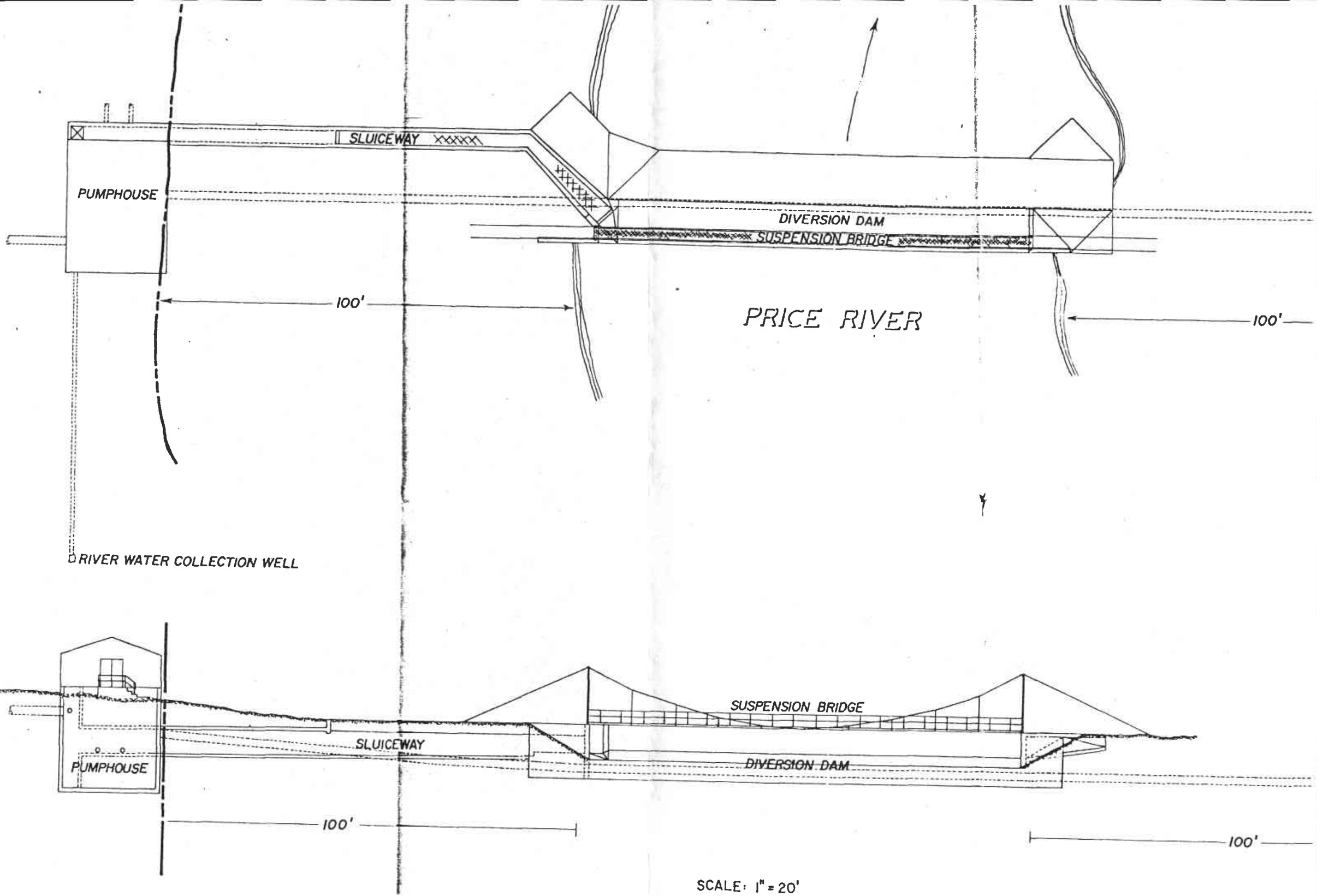
Future Topsoil Storage Area & Slurry Containment Basin, Pond Refuse Pile.	B.F.A.				
Revise topsoil borrow area	VRW		DRAWN	J.U.	3-2-81
Notes NN & OO; Permit Area Revision	B.A.F.		CHECKED		
Notes GG to MM Permit Area Revision	B.A.F.		APPR FOR SAFETY		
Notes BB to FF.	J.U.	V.R.W.	APPROVED	G.H.S.	3-2-81
	BY	CHK'D	SCALE 1" = 500'		

E9-3341



*A. BRIDGE
B. ELECTRIC SUBSTATION
C. COAL CLEANING PLANT BUILDING
D. TRACK HOPPER/RAWCOAL CONVEYOR
E. PLANT RAILROAD SYSTEM
F. HEAT DRYER AND CONVEYOR
G. REFUSE PIPELINE & SUPPORT STRUCTURES
H. PUMPHOUSE
I. COURSE REFUSE BIN
J. OFFICE BUILDING
K. STOREHOUSE
L. SHOP
M. COAL CARBONIZATION LAB
N. FUEL STORAGE BUILDING
O. PUMPHOUSE
P. AUXILIARY POND
Q. NORTH DIKE
R. UPPER REFUSE POND
S. UPPER REFUSE DIKE
T. LOWER REFUSE POND
U. LOWER REFUSE DIKE
V. CLEARWATER POND
W. CLEARWATER DIKE
X. COARSE REFUSE PILE
*Y. DIVERSION DITCH
Z. SAUERMAN HOIST & TAIL TOWER (REMOVED FROM PRO
AA. CLEARWATER PIPELINE
BB. MATERIAL & EQUIPMENT STORAGE AREA
CC. SCRAP METAL STORAGE AREA
DD. WOOD STORAGE AREA
EE. NON COAL WASTE HOLDING AREA
FF. OIL DRUM STORAGE AREA
GG. RIVER WATER COLLECTION WELL
HH. ROAD POND
II. SPOIL PILE
*JJ. HEAT DRYER POND
KK. SPOIL PILE
LL. NATURAL GAS PIPELINE
MM. DIVERSION DITCH
NN. TOPSOIL BORROW AREA

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.]


SLUICEWAY
PUMPHOUSE
DIVERSION DAM
SUSPENSION BRIDGE
100'
PRICE RIVER
100'
RIVER WATER COLLECTION WELL
SUSPENSION BRIDGE
SLUICEWAY
PUMPHOUSE
DIVERSION DAM
100'
100'
SCALE: 1" = 20'

TAB H

Proposed Assessment

UTAH

DNR

OIL, GAS & MINING

0008

outgoing OK

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

August 9, 2006

CERTIFIED MAIL
No. 7004 2510 0004 1824 3458

Patrick Collins, Resident Agent
Nevada Electric Investment Company
P.O. Box 337
Springville, Utah 84663

Subject: Proposed Assessment for State Violation No. N06-37-1-1, Task No. 2571, Nevada Electric Investment Company, Wellington Prep Plant, C0070012

Dear Mr. Collins:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed is the proposed civil penalty assessment for the above referenced violation. The violation was issued by Division Inspector, Priscilla Burton on July 7, 2006. Rule R645-401-600 et. seq. has been utilized to formulate the proposed penalty. By these rules, any written information that was submitted by you or your agent within fifteen (15) days of receipt of this Notice of Violation has been considered in determining the facts surrounding the violation and the amount of penalty.

Under R645-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of this violation, you should file a written request for an Informal Conference within thirty (30) days of receipt of this letter. This conference will be conducted by the Division Director, Associate Director or assigned conference officer. This Informal Conference is distinct from the Assessment Conference regarding the proposed penalty.
2. If you wish to review the proposed penalty assessment, you should file a written request for an Assessment Conference within thirty (30) days of

receipt of this letter. If you are also requesting a review of the fact of violation, as noted in paragraph 1, the Assessment Conference will be scheduled immediately following that review.

If a timely request for review is not made, the fact of violation will stand, the proposed penalty will become final, and the penalty will be due and payable within thirty (30) days of the proposed assessment. Please remit payment to the Division, mail c/o Vickie Southwick.

Sincerely,

Daron R. Haddock

Daron R. Haddock
Assessment Officer

sd
Enclosure
cc: OSM Compliance Report
Vickie Southwick, DOGM
O:\007012.WEL\Compliance\2006\N06-37-1-1assessltr.doc

WORKSHEET FOR ASSESSMENT OF PENALTIES
DIVISION OF OIL, GAS & MINING

COMPANY/MINE NEICO/ Wellington Prep Plant PERMIT C/007/012
NOV/CO # N06-37-1-1 VIOLATION 1 of 1

ASSESSMENT DATE August 8, 2006

ASSESSMENT OFFICER Daron R. Haddock

I. HISTORY (Max. 25 pts.)

A. Are there previous violations, which are not pending or vacated, which fall one (1) year of today's date?

PREVIOUS VIOLATIONS	EFFECTIVE DATE	POINTS
None		

1 point for each past violation, up to one (1) year
5 points for each past violation in a CO, up to one (1) year
No pending notices shall be counted

TOTAL HISTORY POINTS 0

II. SERIOUSNESS (Either A or B)

NOTE: For assignment of points in Parts II and III, the following apply:

1. Based on facts supplied by the inspector, the Assessment Officer will determine within each category where the violation falls.

2. Beginning at the mid-point of the category, the Assessment Officer will adjust the points up or down, utilizing the inspector's and operator's statements as guiding documents.

Is this an EVENT (A) or HINDRANCE (B) violation? **Event (A)**

A. EVENT VIOLATION (Max 45 pts.)

1. What is the event which the violated standard was designed to prevent?

2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

PROBABILITY	RANGE
None	0
Unlikely	1-9
Likely	10-19
Occurred	20

ASSIGN PROBABILITY OF OCCURRENCE POINTS 20

PROVIDE AN EXPLANATION OF POINTS:
******The permittee is allowing water to flow into the dryer pond from a source not described in the MRP. The inspector indicates that this activity is not approved. The event (conducting activities without appropriate approvals) has actually occurred.***

3. What is the extent of actual or potential damage? RANGE 0-25

In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

ASSIGN DAMAGE POINTS 0

PROVIDE AN EXPLANATION OF POINTS:
******The Inspector indicated that no damage occurred as a result of the violation. Water is flowing into the dryer pond, but there is only potential for damage at this point.***

B. HINDRANCE VIOLATION (Max 25 pts.)

1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? 0
RANGE 0-25

Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

ASSIGN HINDRANCE POINTS 0

PROVIDE AN EXPLANATION OF POINTS:
******NA.***

TOTAL SERIOUSNESS POINTS (A or B) 20

III. NEGLIGENCE (Max 30 pts.)

A. Was this an inadvertent violation, which was unavoidable by the exercise of reasonable care? IF SO--NO NEGLIGENCE; or, was this a failure of a permittee to prevent the occurrence of a violation due to indifference lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO--GREATER DEGREE OF FAULT THAN NEGLIGENCE.

No Negligence	0
Negligence	1-15
Greater Degree of Fault	16-30

STATE DEGREE OF NEGLIGENCE **Ordinary Negligence**

ASSIGN NEGLIGENCE POINTS 2

PROVIDE AN EXPLANATION OF POINTS:

******At this point it is still unclear as to the source of the water entering the dryer pond. While it appears that the water may be a result of unauthorized removal of a pumphouse, this activity was not directed by the Operator, but by a subcontractor (The Permittee is still responsible). It is clear from the Inspector's statement and from information provided by the Operator that the water entering the dryer pond was not planned or expected. The Operator provided a management plan dated July 5, 2006 which provided a history and plan for retaining the well at this site. Unfortunately, the plan did not adequately address management of the water entering the pond. The Operator should have been more proactive in dealing with the water situation and trying to identify the source of the water in the pond, especially after being prompted a number of times by the inspector. For this reason I am assigning 2 points under the negligence category because of the lack of reasonable care.***

IV. GOOD FAITH (Max 20 pts.)

(Either A or B)
(Does not apply to violations requiring no abatement measures)

A. Did the operator have onsite, the resources necessary to achieve compliance of the violated standard within the permit area?
IF SO--EASY ABATEMENT

Easy Abatement Situation

- Immediate Compliance -11 to -20*
  (Immediately following the issuance of the NOV)
- Rapid Compliance -1 to -10
  (Permittee used diligence to abate the violation)
- Normal Compliance 0
  (Operator complied within the abatement period required)
  (Operator complied with condition and/or terms of approved Mining and Reclamation Plan)

*Assign in upper of lower half of range depending on abatement occurring the 1st or 2nd half of abatement period.

B. Did the permittee not have the resources at hand to achieve compliance, or does the situation require the submission of plans prior to physical activity to achieve compliance?

IF SO--DIFFICULT ABATEMENT

Difficult Abatement Situation

- Rapid Compliance -11 to -20*
  (Permittee used diligence to abate the violation)
- Normal Compliance -1 to -10*
  (Operator complied within the abatement period required)
- Extended Compliance 0
  (Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard of the plan submitted for abatement was incomplete)
  (Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan)

EASY OR DIFFICULT ABATEMENT? **Difficult**

ASSIGN GOOD FAITH POINTS 0

PROVIDE AN EXPLANATION OF POINTS:

******The abatement has not yet been completed, so good faith points cannot be awarded at this time. This category will be looked at again after the abatement has been completed. Points will be awarded depending on how quickly the abatement is met.***

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # **N06-37-1-1**

I.	TOTAL HISTORY POINTS	**0**
II.	TOTAL SERIOUSNESS POINTS	**20**
III.	TOTAL NEGLIGENCE POINTS	**2**
IV.	TOTAL GOOD FAITH POINTS	**0**
	TOTAL ASSESSED POINTS	**22**

TOTAL ASSESSED FINE **$484.00**

TAB I

Chronology of Abatement

UTAH

DNR

OIL, GAS & MINING

Chronology of Abatement

July 7, 2006, the N-06-37-1-1 was written.

August 7, 2006. Interim abatement steps 1 – 3 were received.

August 7 to August 21, 2006. Division reviewed information (11 working days).

August 21, 2006. The Permittee requests additional abatement time for all interim steps. The Division granted the request.

August 29, 2006. Meeting at the site to discuss further information for interim abatement of steps 1 – 3.

September 1, 2006. Division received request for Informal Conference regarding the Fact of the Violation and Proposed Assessment.

October 2, 2006. No further information was received from the Permittee with regard to interim steps 1 – 3, but information relating to interim steps 4 – 8 was received

October 2 – 5, 2006. Division reviewed the above information and found that it was not accompanied by a C1C2 form and was not written in the format for insertion into the MRP.

October 6, 2006 Permittee requests additional time to abate the MRP

October 6, 2006, Division internal memo supports providing additional time to abate the N.O.V. and Permittee is notified by email of abatement date extension.

October 18, 2006 Permittee is granted until October 23, 2006 to abate the N.O.V. in a format acceptable to the Division.

October 23, 2006, Division received information in MRP format.