

0004

outgoing  
C0070012  
Task 2571  
OK

NO6-37-1-1  
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 Resident Agent  
Permittee/Operator representative Title

mailed + faxed from the DOGM/PFO  
Signature

Priscilla Burton Environmental Scientist  
Division of Oil, Gas, and Mining Representative Title

Priscilla Burton 37  
Signature Identification Number

SEE REVERSE SIDE  
CC: DOGM  
OPERATOR  
OSM  
NOV FILE

CERTIFIED RETURN RECEIPT # 7006 0100 0001 0310 1026

## IMPORTANT – READ CAREFULLY

### 1. PENALTIES.

a. **Proposed assessment.** The Board of Oil, Gas, and Mining assesses fines based upon a proposed assessment recommended by an assessment officer. You may submit written information pertaining to violation(s) covered by this order within 15 days of the date this notice or order is served on you or your agent. Information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. A representative of the Division of Oil, Gas, and Mining will serve the proposed assessment on you or your agent within 30 days of issuance of notice or order.

b. **Assessment.** The penalty will be finalized unless you or your agent file a written request within 15 days of receipt of proposed assessment for an informal hearing before the assessment officer.

For each violation included in this notice, a penalty of up to \$5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violation within the time set for abatement or for meeting any interim step, you will be assessed a minimum penalty of \$750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring you to cease surface coal mining operation or the portion of the operations relevant to the violation.

### 2. INFORMAL PUBLIC HEARING.

An informal public hearing may be held at or near the mine site if this notice requires cessation of mining, expressly or in practical effect. On the reverse of this page, the authorized representative has made a finding as to whether or not this notice requires cessation of mining.

Please review this finding and inform the authorized representative if you disagree with it. (See Utah Admin. R. 645-400-350 et seq.)

If this notice requires cessation of mining, it will expire within 30 days from date you are notified unless an informal public hearing is held or waived, or the condition, practice, or violation is abated within the 30-day period. You will be notified of date, time, and location of hearing.

### 3. FORMAL REVIEW AND TEMPORARY RELIEF.

You may apply for review of this notice or assessment before the Board of Oil, Gas, and Mining by submitting an application for hearing within 30 days of receipt of notice or assessment by you or your agent. Apply to:

Secretary  
Board of Oil, Gas, and Mining  
1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801

If applying for a formal board hearing, you may submit with your petition for review a request for temporary relief from this notice. Procedures for obtaining a formal board hearing are contained in the board's Rules of Practice and Procedure and in Utah Admin. R. 645-401-800 et seq.

### 4. EFFECT ON PERMIT.

The permit may be suspended or revoked if it is determined that a pattern of violations of the act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult *Utah Code Annotated* Section 40-10-20, 21, 22, and 23, Utah Admin. R. 645-400-300 et seq. and R. 645-401 et seq. or contact the Division of Oil, Gas, and Mining at (801) 538-5340.

N06-37-1-1

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.