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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: | |
|--|---------------------------------------|
| Company | Patrick D. Collins Resident Agent |
| OGM | Pete Hess Environmental Scientist III |

Inspection Report

| | |
|------------------|------------------------------|
| Permit Number: | C0070012 |
| Inspection Type: | COMPLETE |
| Inspection Date: | Friday, March 30, 2007 |
| Start Date/Time: | 3/30/2007 9:35:00 AM |
| End Date/Time: | 3/30/2007 11:00:00 AM |
| Last Inspection: | Wednesday, February 28, 2007 |

Inspector: Pete Hess, Environmental Scientist III

Weather: Partly sunny; cool. 40's F.

InspectionID Report Number: 1254

Accepted by: whedberg

4/4/2007

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

Current Acreages

| | |
|----------|------------------------|
| 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 Permittee notified the Division on January 17, 2007 that the fourth quarter of 2006 surface and ground water monitoring information for the Wellington permit area was in the Division EDI "pipeline", and was acceptable for uploading. Field monitoring for that quarter was conducted on November 28 and 29, 2006.

There are no pending compliance actions for this site.

Other than minor maintenance issues being addressed by the Permittee, the site remains idle, and virtually unchanged.

Inspector's Signature: _____

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Date

Monday, April 02, 2007

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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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 performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

| | Evaluated | Not Applicable | Comment | Enforcement |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Change, Transfer, Renewal, Sale | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Signs and Markers | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Topsoil | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Explosives | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Disposal of Excess Spoil, Fills, Benches | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Coal Mine Waste, Refuse Piles, Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Noncoal Waste | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Bonding and Insurance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

3. Topsoil

The Permittee has redefined the retention ditch / berm around the topsoil pile located south of the refuse disposal area.

4.a Hydrologic Balance: Diversions

The Permittee is waiting for the material in ditch UD-1 to dry to the point that the required maintenance can be performed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The monthly inspection frequency for the site's three MSHA impoundments (the upper and lower refuse basins, and the clear water pond) is being maintained with the last written report being dated February 15, 2007. The required inspection frequency is every 30 days, based upon an MSHA variance. As observed this day, both the upper and lower refuse basins are dry. The clear water pond appears to have more water volume than the previous month, however, same remains small, and the elevation of this impounded water is well below the discharge elevation. The fourth quarter and annual impoundment inspections for the three MSHA ponds, as well as the road side pond, the auxiliary pond, the dryer pond, the loadout sediment pond, and the pipeline pond, were conducted on December 19, 2006 by Mr. Dan Guy, P.E., of Blackhawk engineering Company. No hazards were noted for any of the ponds during those inspections. P.E. certification of the annual pond reports occurred on the same day. No hazards were noted during today's DOGM inspection.

4.d Hydrologic Balance: Water Monitoring

The submittal of discharge monitoring reports for this site's remaining UPDES outfalls is current, with the February reports being submitted on March 27, 2007. No outfalls have occurred.

7. Coal Mine Waste, Refuse Piles, Impoundments

The fourth quarter of 2006 waste rock pile inspection was conducted by Mr. Dan Guy, P.E., of Blackhawk Engineering Company on December 19, 2006. The Permittee's qualified person did not note any unstable conditions or other hazards relative to the pile. P.E. certification of Mr. Guy's report occurred on the same day as the inspection.

15. Cessation of Operations

There has not been any change in the operational status of this facility.

22. Other

The annual inspections for the refuse disposal area and the site's eight impoundments are included in the 2006 Annual Report for this site, which is pending delivery at the Division via the USPS.