

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

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March 21, 2007

TO: Internal File

THRU: D. Wayne Hedberg, Permit Supervisor
James D. Smith, Team Lead JS 03/04/07

FROM: Wayne H. Western, Environmental Scientist III, Engineering and Bonding WHW

RE: 2006 Midterm Permit Review, Nevada Electric Investment Company, Wellington Preparation Plant, Permit C/007/0012 and Task ID #2621

SUMMARY:

On August 29, 2006, the Division sent the Permittee a letter stating that a midterm review of the mining and reclamation plan commenced by the Division. As part of the midterm review, the Division examined the reclamation cost estimate. The Division found that the bond amount is inadequate to ensure that the Division could reclaim the site in the event of bond forfeiture and that the vegetation cost estimate is not consistent with the approved reclamation plan.

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TECHNICAL ANALYSIS:

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Division reviewed the reclamation cost estimates as part of the midterm review. The Division found that the vegetation cost estimate does not match the approved reclamation plan. Specifically the Wellington Preparation Plant is divided into subareas:

- Surface Facilities Area.
- Coarse Slurry Area.
- Coarse Refuse Area.
- Coal Storage and Processing Area.
- Slurry Pond Basin Area.
- Price River Riparian Area.
- Topsoil Borrow Area.

The Permittee will use four separate seed mixes on the site. However, in the reclamation cost estimates the revegetation costs are assumed to be the same for each area and as well as the reclamation techniques. The Permittee must revise the reclamation revegetation cost estimate to correspond to the approved reclamation plan.

Findings:

The information in the mining and reclamation plan is not adequate to meet the minimum requirements of this section of the regulations. Before the Division can approve the midterm review, the Permittee must provide the following in accordance with:

R645-301-830.120, R645-301-830.130 and R645-301-830.140, The Permittee must provide detailed vegetation cost estimates based on the approved mining and reclamation plan. The current reclamation cost estimate is based on one seed mixture when there are four in the MRP and one reclamation method when there are seven listed in the MRP.

RECOMMENDATIONS:

The Division should not approve the midterm review until all of the above mentioned deficiencies have been adequately addressed.

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