

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

JK

July 9, 2007

TO: Internal File

THRU: Pamela Gubaugh-Littig, Permit Supervisor *PL*
James D. Smith, Team Lead *JS 07/09/07*

FROM: Priscilla Burton, CPSSc, Environmental Scientist III *PWB by an*

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. After review of the administrative records, it appears that although the COVOL operations ceased in 1999, and were reclaimed in 2004, the Division has not received a notice of intention to cease or abandon operations such as that described in Sec 5.15 of the MRP and required by R645-301-515.320.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

RECLAMATION PLAN

REPORTING AND EMERGENCY PROCEDURES

Regulatory Reference: 30 CFR Sec. 827.12(j); R645-301-515, et seq.

Analysis:

The five year permit renewal dated Dec. 10, 2004 describes the history of the Wellington Prep Plant operations. The initial permit was issued to US Steel Corp on Dec 10, 1984 and the plant was put into temporary cessation. In February 1886, the permit was transferred to Kaiser Coal Corp, but they never activated the plant.

Genwal Coal Co. purchased the property through bankruptcy proceedings in August 1989. After five years of temporary cessation, the plant was re-activated under Genwal's ownership (permit dated October 1989) and used as a loadout.

The permit changed hands twice more: to Castle Valley Resources, Inc on Dec. 5, 1991 and to NEICO on April 18, 1994. COVOL remined the slurry ponds from 1997 - 1999.

The Preparation Plant buildings were removed in 1997. The COVOL operation structures (shown on Figure 5.12-1) near the slurry ponds were reclaimed in 2004. Interim reclamation of the Price River Pumphouse was done in 2004.

Although the COVOL site on the east side of the Wellington Preparation Plant has been idle since 1999, and was reclaimed in 2004, the Division has not received a notice of intention to cease or abandon operations such as that described in Sec 5.15 of the MRP and required by R645-301-515.320. The Permittee must submit to the Division a temporary cessation notice describing the extent and kind of reclamation accomplished to date.

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:

R645-301-515.320, Although the Preparation Plant buildings on the west side of the site were removed in 1997 and the COVOL site on the east side of the Wellington

TECHNICAL MEMO

Preparation Plant has been idle since 1999, and was reclaimed in 2004, the Division has not received a notice of intention to cease or abandon operations such as that described in Sec 5.15 of the MRP and required by R645-301-515.320. The Permittee must submit to the Division a temporary cessation notice describing the extent and kind of reclamation accomplished to date.

RECOMMENDATIONS:

The Division should not approve the midterm review until a notice of temporary cessation has been received.