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JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
00070012
#3362
R

November 30, 2009

Patrick Collins, Resident Agent
Mt. Nebo Scientific
P.O. Box 337
Springville, Utah 84663

Re: Five-Year Permit Renewal, Wellington Preparation Facility, Nevada Electric Investment Company, C/007/0012, Task #3362, Outgoing File

Dear Mr. Collins:

The permit renewal for the Wellington Preparation Facility is approved. Enclosed are two (2) copies of the renewed permanent program permit for the Wellington Preparation Facility.

Please have both permits signed by the designated signatory authority for NEICO. Please return one signed copy to the Division.

If you have any questions, please call Daron R. Haddock at (801)538-5325.

Sincerely,


John R. Baza
Director

JRB/DRH/sqs

Enclosures

cc: James Fulton, OSM
Price Field Office

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UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL

NEICO
Wellington Preparation Facility
C/007/0012
Carbon County, Utah

November 30, 2009

CONTENTS

- * Administrative Overview
- * Permitting Chronology
- * Findings
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- * Publication Notice
- * AVS Recommendation

ADMINISTRATIVE OVERVIEW

NEICO
Wellington Preparation Facility
Five-Year Permit Renewal
C/007/0012
Carbon County, Utah

November 30, 2009

BACKGROUND

The Wellington Preparation Facility was a coal loading facility located on privately owned land near Wellington, Utah. This plant was completed in 1958 by United States Steel Corporation. The cleaning plant was located west of the Price River adjacent to the Denver and Rio Grande Western railroad. The primary reject disposal area was located east of the Price River and was connected to the cleaning plant by the refuse pipeline and a clear water pipeline. The refuse material was pumped from the cleaning plant to the refuse disposal area.

The coarse refuse was placed in the refuse waste pile and the fine, high ash coal flowed with the carrying water to the upper refuse pond. The fine material began to drop out in the upper refuse pond. The partially clarified water passed to the lower refuse pond where the balance of the fine coal dropped and clear water passed to the clear water holding pond for the return to the coal cleaning plant on the west side of the Price River.

The initial permanent program permit for this site was issued to United States Steel Corporation on December 10, 1984. The plant was subsequently put into temporary cessation of operations. On February 25, 1986, the permit was transferred to Kaiser Coal Corporation who never activated the plant. Kaiser Coal Corporation went into bankruptcy in February of 1987. Genwal Coal Company purchased the property through the bankruptcy court in August 1989 and the permit was transferred to them on October 10, 1989.

The site was reactivated on approximately December 1, 1989 and was used primarily as a coal loading facility. The permit was subsequently transferred to Castle Valley Resources, Inc. on December 5, 1991 and then transferred again on April 18, 1994 to Nevada Electric Investment Company (NEICO.) COVOL, a separate company (now called Headwaters), removed fines from the slurry pond to process into coal briquettes for a few years on the east side of the facility. This activity was done under NEICO's permit. The facility has been essentially idle since 1999. Most of the buildings and facilities on the west side were removed in 1997. In October 2004, more interim reclamation work was done on the east side of the permit area, including removing the bridge. Phase I bond release is not currently being pursued by the permittee.

PERMIT RENEWAL

NEICO made application to the Division of Oil Gas and Mining for a five-year permit renewal for the Wellington Preparation Plant on August 10, 2009. This renewal encompasses the same permit area and disturbance as currently approved in the permit.

The renewal application was determined administratively complete on August 25, 2009. Public notice for this permit renewal was published in the Sun Advocate on September 22, 29 and October 6, 13, 2009.

ANALYSIS

Requisite information for the permit renewal application was made and all notices were published as required. No comments were received during the public comment period.

The bond amount of \$5,153,000 is adequate.

RECOMMENDATION

Approval for this permit renewal is recommended.

PERMITTING CHRONOLOGY

NEICO
Wellington Preparation Facility
Permit Renewal
C/007/0012
Carbon County, Utah

November 30, 2009

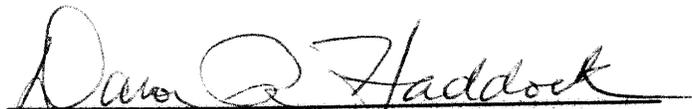
August 10, 2009	NEICO submitted a permit renewal application for the Wellington Preparation Facility.
August 25, 2009	Determination of Administrative Completeness for this permit renewal application.
August 25, 2009	Permit renewal completeness determination sent to applicable state, federal, and county agencies.
September 22, 29, and October 6, 13, 2009	Public notice for permit renewal for the Wellington Preparation Facility published in the <u>Sun Advocate</u> .
November 12, 2009	End of comment period. No comments received.
November 30, 2009	AVS recommendation.
December 10, 2009	Permit Renewal is issued to NEICO for the Wellington Preparation Facility.

PERMIT RENEWAL FINDINGS

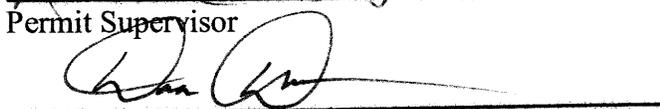
NEICO
Wellington Preparation Plant
C/007/0012
Carbon County, Utah

November 30, 2009

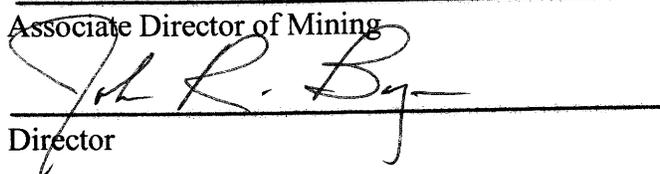
1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110). (See existing TA)
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The operator has provided evidence of having liability insurance (Colony Insurance Company – GL324000)(R645-303-233.140).
6. The operator has posted a reclamation surety in the required amount and has provided evidence that the surety will remain in full effect. (Surety in the amount of \$5,153,000 is posted through Bond Safeguard Insurance Company - Bond Number 5035659) (R645-303-233.150).
7. The operator has submitted all applicable, revised or updated information as required by the Division at this time. (R645-303-233.160).



Permit Supervisor



Associate Director of Mining



Director

NON-FEDERAL

PERMIT
C/007/0012

December 10, 2009

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340

This permit, C/007/0012, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOG M) to:

Nevada Electric Investment Company
6226 West Sahara Avenue
Las Vegas, Nevada 89146
(702)-367-5626

for the Wellington Preparation Plant. Nevada Electric Investment Company (NEICO) is the owner of fee owned parcels. A Surety Bond is filed with the Division of Oil, Gas and Mining in the amount of \$5,153,000, payable to the state of Utah, Division of Oil, Gas and Mining. The Division must receive a copy of this permit signed and dated by the Permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The Permittee is authorized to conduct coal mining and reclamation operations on the following described land within the permit area at the Wellington Preparation Plant situated in the state of Utah, Carbon County, and located in:

Township 15 South, Range 11, East, SLB & M

- Section 8:** E1/2 SE1/4 (portions south of Ridge Road), W1/2 SE1/4 (portions south of Ridge Road) except portion N of the railroad tracks;
Section 9: S1/2, portions of S1/2 N1/2;
Section 10: W1/2 SW1/4;
Section 15: W1/2 NW1/4;
Section 16: All; and
Section 17: E1/2 SE1/4, NE1/4.

This legal description is for the permit area of the Wellington Preparation Plant. The Permittee is authorized to conduct coal mining and reclamation operations.

- Sec. 3 COMPLIANCE** - The Permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit becomes effective on December 10, 2009 and expires on December 9, 2014.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the written approval of the Division Director, (DOGM). Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13 {e} and R645-303-300.
- Sec. 6 RIGHT OF ENTRY** - The Permittee shall allow the authorized representative of the Division of Oil, Gas and Mining, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110; and,
 - (b) 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 by the private person.
- Sec. 7 SCOPE OF OPERATIONS** - The Permittee shall conduct coal mining and reclamation only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the Surety Bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The Permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:
- (a) accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
 - (b) immediate implementation of measures necessary to comply; and
 - (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

- Sec. 9 DISPOSAL OF POLLUTANTS** - The Permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.
- Sec. 10 CONDUCT OF OPERATIONS** - The Permittee shall conduct its operations:
- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - (b) utilizing methods specified as conditions of the permit by Division of Oil, Gas and Mining in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 11 EXISTING STRUCTURES** - As applicable, the Permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12 RECLAMATION FEE PAYMENT** - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The Permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The Permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division. After coordination with the Office of Surface Mining, the Division shall inform the Permittee of necessary actions required. The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.
- Sec. 17 APPEALS** - The Permittee shall have the right to appeal as provided for under R645-300.

Sec. 18 SPECIAL CONDITIONS - There is a special condition associated with this permitting action as described in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the Permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the Permittee to comply with the terms of this permit. The Permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the Permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the Permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: John R. Bayne
Date: 12/1/09

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

STIPULATIONS

1. NEICO will submit water quality data for the Wellington Preparation Plant in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>.

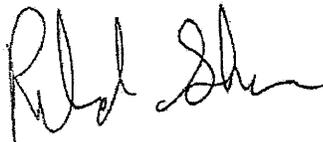
AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

SS.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and the first publication was on the 22nd day of September, 2009, and that the last publication of such notice was in the issue of such newspaper dated the 13th day of October, 2009.



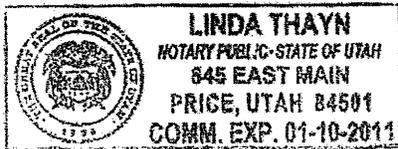
Richard Shaw - Publisher

Subscribed and sworn to before me this 13th day of October, 2009.



Notary Public My commission expires January 10, 2011 Residing at Price, Utah

Publication fee, \$ 399.36



PUBLIC NOTICE

Notice is hereby given that Nevada Electric Investment Company ("NEICO"), permittee and operator of the Wellington Preparation Plant (Permit No. C/007/012) is submitting applications for permit renewal to the State of Utah, Division of Oil, Gas & Mining. The application for permit renewal is being sought under the provisions of R645-303-230. The permittee's mailing address is given below.

NEICO
6226 West Sahara Ave
Las Vegas, Nevada, 89146
Attn: Tony Garcia

The permit area is located at 6000 Wash Plant Road, City of Wellington, Carbon County, Utah. A total of 1573.5 acres are current in the permit area. A property description of the permit area is given below.

- Township 15 South, Range 11 East, Salt Lake Base and Meridian:
- Section 8 E1/2 SE1/4 (portions s. of Ridge Road), W1/2 SE1/4 (portions s. of Ridge Road, excl. portion n. of railroad tracks),
- Section 9 S1/2, portions of S1/2 N1/2,
- Section 10 W1/2 SW1/4,
- Section 15 W1/2 NW1/4,
- Section 16 All,
- Section 17 E1/2 SE1/4, NE1/4.

The Mining and Reclamation Plan (MRP) can be reviewed at the address given below. Pertinent comments are solicited from anyone affected by this proposal. Such comments should be filed within the next thirty (30) days to the addresses below.

STATE OF UTAH
Department of Natural Resources
Division of Oil, Gas & Mining
1594 West No. Temple, Suite 1210
Salt Lake City, Utah 84114-5801
Published in the Sun Advocate September 22, 29, October 6 and 13, 2009.



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 30, 2009

TO: Internal File

FROM: Daron R. Haddock, Permit Supervisor 

RE: 510 (c) Recommendation for NEICO, Wellington Preparation Plant, C/007/0012

As of this writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected. There are no finalized civil penalties, which are outstanding and overdue in the name of Nevada Electric Investment Company (NEICO). Nevada Electric Investment Company does not demonstrate a pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is the findings evaluation from the Applicant Violator System (AVS), dated November 1, 2009.

Attachment

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Permit Evaluation

Permit Number ACT007012
 Permittee Name 120552 Nevada Electric Investment Corp
 Date of Evaluation 11/30/2009 4:19:34 PM
 Requested Individual suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

There were no violations retrieved by the system

Evaluation OFT

Entities: 33

142970 Nevada Power Co - ()
 ---104742 David Barneby - (Vice President)
 ---104747 Charles A Lenzie - (Chairman of the Board)
 ---104747 Charles A Lenzie - (Chief Executive Officer)
 ---120552 Nevada Electric Investment Corp - (Subsidiary Company)
 -----104741 C F Vaughn - (Director)
 -----104741 C F Vaughn - (President)
 -----104742 David Barneby - (Vice President)
 -----104743 Robert Mower - (Vice President)
 -----104747 Charles A Lenzie - (Chairman of the Board)
 -----104747 Charles A Lenzie - (Chief Executive Officer)
 -----104747 Charles A Lenzie - (Director)
 -----104747 Charles A Lenzie - (President)
 -----104748 John W Arlidge - (Director)
 -----104748 John W Arlidge - (Vice President)
 -----119541 James C Holcombe - (Director)
 -----127857 Richard L Hinckley - (Secretary)
 -----127857 Richard L Hinckley - (Vice President)
 -----149805 Walter M Higgins - (Director)
 -----156428 Michael W Yackira - (President)
 -----156428 Michael W Yackira - (Treasurer)
 -----156430 Ernest E East - (Secretary)
 ---127857 Richard L Hinckley - (Director)
 ---127857 Richard L Hinckley - (Vice President)
 ---142971 Cynthia K Gilliam - (Vice President)
 ---142972 Steven W Rigazio - (Vice President)
 ---142973 Gloria Banks Weddle - (Vice President)
 ---142974 Mary Lee Coleman - (Director)
 ---142975 Fred D Gibson Jr - (Director)
 ---142976 John L Goolsby - (Director)
 ---142977 Jerry Herbst - (Director)
 ---142978 C L Ryan - (Director)
 ---142979 Frank E Scott - (Director)
 ---142980 Arthur M Smith - (Director)
 ---142981 J A Tiberti - (Director)
 ---149805 Walter M Higgins - (Chairman of the Board)
 ---149805 Walter M Higgins - (Chief Executive Officer)
 ---149805 Walter M Higgins - (Director)
 ---149805 Walter M Higgins - (President)
 ---149806 Jeffrey L Ceccarelli - (Senior Vice President)
 ---149814 Krestine M Corbin - (Director)
 ---149815 Theodore H Day - (Director)
 ---149816 James R Donnelley - (Director)
 ---149818 John F O'reilly - (Director)
 ---156428 Michael W Yackira - (Chief Financial Officer)
 ---156428 Michael W Yackira - (Executive Vice President)
 ---156430 Ernest E East - (General Counsel)
 ---156430 Ernest E East - (Secretary)
 ---156430 Ernest E East - (Senior Vice President)
 ---156431 Donald L Shalmy - (President)
 ---156433 Roberto R Denis - (Senior Vice President)
 ---156434 Stephen R Wood - (Senior Vice President)
 ---156435 Joseph B Anderson Jr - (Director)
 ---156436 Philip G Satre - (Director)