From: Steve Demczak
To: Patrick Collins; Suzanne Steab
Date: 3/7/2011 9:02 AM
Subject: Fwd: Attached Image
Attachments: Attached Image

Feb. Insp.

The State of Utah

Department of Natural Resources

Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Inspection Report

Representatives Present During the Inspection:	
Company	Patrick Collins
OGM	Steve Demczak

Permit Number:	C0070012
Inspection Type:	COMPLETE
Inspection Date:	Thursday, February 10, 2011
Start Date/Time:	2/10/2011 10:00:00 AM
End Date/Time:	2/10/2011 4:00:00 PM
Last Inspection:	Thursday, November 04, 2010

Inspector: Steve Demczak,

Weather: Sunny, 30's, Slightly Snow Covered.

InspectionID Report Number: 2646

Accepted by: jhelfric
3/3/2011

Permitee: **NEVADA ELECTRIC INVESTMENT CO**
Operator: **NEVADA ELECTRIC INVESTMENT CO**
Site: **WELLINGTON PREPARATION PLANT**
Address: **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
- [x] Fee
- [ ] Other

Types of Operations

- [ ] Underground
- [ ] Surface
- [x] Loadout
- [x] Processing
- [ ] Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

No violations were issued.

Permittee has received approval to conduct slurry pond inspections on a monthly basis instead of weekly from MSHA.

Inspector's Signature: Steve Demczak,
Inspector ID Number: 39

Date Monday, February 14, 2011

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 facsimile (801) 359-3940 TTY (801) 538-7223 *www.ogm.utah.gov*

Utah!
Where ideas connect

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

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

1. Permits, Change, Transfer, Renewal, Sale

The Mining and Reclamation Permit will expire on December 10, 2014. The permittee has received a new UPDES Permit #UTG040010. This permit will expire on April 30, 2013.

2. Signs and Markers

Identification signs are posted at the gates to the property. Information meets the requirements of the R645 Coal Rules.

3. Topsoil

The topsoil pile shows no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

Diversions were spot-checked and would function during a storm event.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment ponds were inspected by the permittee for the fourth quarter of 2010 on October 20, 2010. There was no hazardous conditions reported in the report. The report is P.E. certified. This inspection is the annual sediment pond inspection. I inspected the sediment ponds and did not see any hazardous conditions. No sediment pond was discharging during the inspection.

4.d Hydrologic Balance: Water Monitoring

The fourth quarter water data has been submitted to the Division for review.

4.e Hydrologic Balance: Effluent Limitations

There was no discharge for the fourth quarter of 2010.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse piles were inspected by a P.E. on October 3, 2010. There was no hazardous conditions reported. No hazardous conditions were noticed during the inspection. The road around the slurry ponds was re-graded.

8. Noncoal Waste

The mine site was clear of non-coal waste materials.

10. Slides and Other Damage

No slides or other damage was noticed during the inspection.

15. Cessation of Operations

No activity is occurring at Wellington.

18. Support Facilities, Utility Installations

There are no support facilities at Wellington.

20. Air Quality Permit

The Air Quality permit is DAQE-92.

21. Bonding and Insurance

The insurance policy will expire on Feb 9, 2012. The policy is afforded by Colony Ins. Co.. The insurance accord form was reviewed and meets Division requirements. The bonding amount is $5,153,000.