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State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

FINDINGS DOCUMENT
Utah Coal Regulatory Program

PID:	C0070012
TaskID:	4391
Mine Name:	WELLINGTON PREPARATION PLANT
Title:	PERMIT TRANSFER

General Contents

Identification of Interest

Analysis:

The application does not meet the Identification of Interests requirements of the State of Utah R645 Coal Mining Rules.

In section 112.100, Identification of Permittee, Operator and Owner, the applicant states, "The permittee and owner, Price River Terminal, LLC (PRT) is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas".

The provides the Permittees name, address and telephone number: PRT, 3215 West 4th Street, Fort Worth, TX 76107, (239) 985-9309, Employee Identification Number 46-3234994). The Operator information was also provided in this section: Watco Transloading, LLC (Watco), 315 W 3rd Street, Pittsburgh, KS 66762, (620) 231-2230, Employee Identification Number 27-0732018.

Per the requirements of R645-301-112.220, the application provides the resident agent information: Patrick D. Collins, PhD, Mt. Nebo Scientific, Inc., 330 East 400 South, Suite 6, P.O. Box 337, Springville, UT 84663, (801) 489-6937.

Under section 112.300 of the application, the names and titles held by the various officers and directors of the Permittee (PRT) and the Operator (Watco) are provided. However; additional information is required.

Per the requirements of R645-301-112.300 thru 112.330, the application must provide additional information for the president, chief executive officer, officer, partner, member, director and every person who owns, of record, 10 percent or more of the entity for PRT and Watco. The following additional information is required for these individuals: address, telephone number, percentage of ownership, and the date the individuals' position was assumed. If the address and telephone number for the individuals identified in section 112.300 of the application is the same as the information provided for PRT and Watco in section 112.100 of the application, please clarify.

The application identifies Global One Transport, Inc as a privately held Texas corporation that owns 84% of PRT. However; information relative to Global One Transport is not provided in the application.

Per the requirements of R645-301-112.300 thru 112.330, the applicant must provide additional information for Global One Transport Inc. (identified as 84% owner of Price River Terminal, LLC in section 112.100 of the application). The information must include the address and telephone number and tax payer identification number for Global One Transport Inc. In addition, the application must provide the name, address and telephone number for every president, chief executive officer, officer, partner, member and director (or person sin similar positions) and every person who owns, of record 10 percent or

more of the entity. For each individual identified, the application must provide the person's position, title and relationship to the applicant, including percentage of ownership and location in organizational structure. For each position, the date the position was assumed must also be provided. Please clarify whether Global One Transport Inc. has operated a coal mining and reclamation operation in the United States within five years of the date of the application; if so, please address R645-301-112.340- R645-301-112.420.

In section 112.400, the application indicates that previous coal permit information was not applicable to the Permittee (PRT) and Operator (Watco). Further information on Global Transport Inc. will be used to determine if additional information is required relative to previously held coal permits.

In section 112.520, the application indicates that as a preparation plant facility, the requirement to identify the name and address of each legal or equitable owner of record of the surface and mineral property is not applicable.

In section 112.600, the application provides the owners of record of surface areas within and contiguous to the permit area.

In section 112.700, the application identifies the mine structures that require MSHA numbers. The structures include the plant refuse pile (1211-UT-09-00099-01), clear water pond (1211-UT-09-00099-02), lower refuse pond (1211-UT-09-00099-03), upper refuse pond (1211-UT-09-00099-04) and the pond refuse pile (1211-UT-09-00099-05).

The information contained in section 112.800 remains the same as the approved mining and reclamation plan (MRP). Currently, there are no outstanding interests in lands, options or pending bids on interests held or made by the applicant for lands which are contiguous to the areas to be covered by the permit.

Deficiencies Details:

R645-301-112.300 thru 112.330: The application must provide additional information for the president, chief executive officer, officer, partner, member, director and every person who owns, of record, 10 percent or more of the entity for PRT and Watco. The following additional information is required for these individuals: address, telephone number, percentage of ownership, and the date the individual's position was assumed. If the address and telephone number for the individuals identified in section 112.300 of the application is the same as the information provided for PRT and Watco in section 112.100 of the application, please clarify.

R645-301-112.300 thru 112.330: The application must provide additional information for Global One Transport Inc. (identified as 84% owner of Price River Terminal, LLC in section 112.100 of the application). The information must include the address and telephone number and tax payer identification number for Global One Transport Inc. In addition, the application must provide the name, address and telephone number for every president, chief executive officer, officer, partner, member and director (or person in similar positions) and every person who owns, of record 10 percent or more of the entity. For each individual identified, the application must provide the person's position, title and relationship to the applicant, including percentage of ownership and location in organizational structure. For each position, the date the position was assumed must also be provided. Please clarify whether Global One Transport Inc. has operated a coal mining and reclamation operation in the United States within five years of the date of the application; if so, please address R645-301-112.340- R645-301-112.420.

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Violation Info

Analysis:

The application does not meet the Violation Information requirements of the State of Utah R645 Coal Mining rules.

In section 113.100, the application states, "Neither the permittee, operator, nor owner, nor any of their subsidiaries, affiliates or persons controlled by or under common control with the permittee has had a federal or state mining permit suspended or revoked in the last five years."

On August 21st, 2013, the PRT and Watco information was entered into the OSM AVS system. No violations were retrieved by the system.

Per the requirements of R645-300-132 and R645-303-341, the Division is required to enter the Identification of Interests (ownership/control) information into OSM's Applicant Violator System (AVS) in order to determine if the applicant is eligible for a permit. Once the requested Global Transport Inc. information is received, the Division will conduct this review. If no outstanding issues are identified with Global Transport Inc., this deficiency will no longer be applicable.

Deficiencies Details:

R645-300-132 and R645-303-341: The Division is required to enter the Identification of Interests (ownership/control) information into OSM's Applicant Violator System (AVS) in order to determine if the applicant is eligible for a permit. Once the requested Global Transport Inc. information is received, the Division will conduct this review. If no outstanding issues are identified with Global Transport Inc., this deficiency will no longer be applicable.

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Right of Entry

Analysis:

The application does not meet the Right of Entry requirements of the State of Utah R645-Coal Mining Rules.

In Appendix A of the application, a copy of a purchase and sale agreement is provided. Robert E. Stewart (Nevada Electric Investment Company) signed the document on June 5th, 2013. Timothy Stanley (PRT by Global One Transport, Inc) signed the document on June 7th, 2013.

Per the requirements of R645-301-114, the application must contain a description of the documents upon which the applicant bases their legal right to enter and begin coal mining and reclamation operations in the permit area and will state whether that right is the subject of pending litigation. Additionally, the description will identify the documents by type and date of execution, identify the specific lands to which the document pertains and explain the legal rights claimed by the applicant.

Once the stipulations/conditions of the purchase agreement have been satisfied and the transaction has closed, the Permittee can then provide an update to the Mining and Reclamation Plan (MRP).

Deficiencies Details:

R645-301-114: The application must contain a description of the documents upon which the applicant bases their legal right to enter and begin coal mining and reclamation operations in the permit area and will state whether that right is the subject of pending litigation. Additionally, the description will identify the documents by type and date of execution, identify the specific lands to which the document pertains and explain the legal rights claimed by the applicant.

Once the stipulations/conditions of the purchase agreement have been satisfied and the transaction has closed, the Permittee can then provide an update to section 114.100 of the currently approved Mining and Reclamation Plan (MRP).

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Legal Description

Meets Requirements

Analysis:

The application meets the Legal Description and Status of Unsuitability Claim requirements of the State of Utah R645 Coal Mining Rules.

The permit area is not within an area designated as unsuitable as defined in R645-103-300.

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Permit Term

Analysis:

The application does not meet the Permit Term requirements of the State of Utah R645 Coal Mining Rules.

In Section R645-301-116, the application indicates that the permit will be renewed on a 5-year basis. Additional information is required. Per the requirements of R645-301-116.100, the application must state the anticipated or actual starting and termination date of each phase of the coal mining and reclamation operations and the anticipated number of acres of land to be affected during each phase of mining over the life of the mine

Deficiencies Details:

R645-301-116.100: The application must state the anticipated or actual starting and termination date of each phase of the coal mining and reclamation operations and the anticipated number of acres of land to be affected during each phase of

mining over the life of the mine.

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Public Notice

Analysis:

The application does not meet the Public Notice and Comment requirements of the State of Utah R645-Coal Mining Rules.

The applicant published notice in the Sun Advocate newspaper on September 3rd and September 5th, 2013. As required by R645-301-117.200, once the notice has been published in the newspaper of general circulation, the Permittee will be required to submit proof of publication to the Division (not later than 4 weeks after the date of publication) for incorporation into the application/MRP.

Deficiencies Details:

R645-301-117.200: Following the last date of publication in the newspaper of general circulation, the Permittee is required to submit proof of publication to the Division (not later than 4 weeks after the date of publication) for incorporation into the application/MRP.

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Filing Fee

Analysis:

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Filing Fee

Analysis:

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Reclamation Plan

Bonding General

Analysis:

The application does not meet the Bonding and Insurance Requirements of the State of Utah R645-Coal Mining Rules.

Per the requirements of R645-301-890, the Permittee must submit a certificate issued by an insurance company, authorized to do business in Utah, certifying that the applicant has a public liability insurance policy in force for the coal mining and reclamation activities for which the permit is sought. Minimum insurance coverage for bodily injury and property damage will be \$300,000 for each occurrence and \$500,000 aggregate.

Additionally, per the requirements of R645-303-323, -342, the Permittee must obtain and submit to the Division, appropriate performance bond coverage, or other guarantee in an amount sufficient to cover the proposed operations

Deficiencies Details:

R645-303-323, -342: The Permittee must obtain and submit to the Division, appropriate performance bond coverage, or other guarantee in an amount sufficient to cover the proposed operations.

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Bonding Insurance

Analysis:

The application does not meet the Bonding and Insurance Requirements of the State of Utah R645-Coal Mining Rules.

Per the requirements of R645-301-890, the Permittee must submit a certificate issued by an insurance company, authorized to do business in Utah, certifying that the applicant has a public liability insurance policy in force for the coal

mining and reclamation activities for which the permit is sought. Minimum insurance coverage for bodily injury and property damage will be \$300,000 for each occurrence and \$500,000 aggregate.

Additionally, per the requirements of R645-303-323, -342, the Permittee must obtain and submit to the Division, appropriate performance bond coverage, or other guarantee in an amount sufficient to cover the proposed operations

Deficiencies Details:

R645-301-890: The Permittee must submit a certificate issued by an insurance company, authorized to do business in Utah, certifying that the applicant has a public liability insurance policy in force for the coal mining and reclamation activities for which the permit is sought. Minimum insurance coverage for bodily injury and property damage will be \$300,000 for each occurrence and \$500,000 aggregate.

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