



GARY R. HERBERT
Governor

GREGORY S. BELL
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

September 11, 2013

CB&I

Michael Jennings, Project Manager
9201 E Dry Creek Road
Centennial, Colorado 80112

Subject: Permit Transfer, NEICO, Wellington Prep Plant, Permit #C/007/0012, Task ID #4391

Dear Mr. Jennings:

The Division has reviewed the application for permit transfer of the Wellington Prep Plant facility from Nevada Electric Investment Company (NEICO) to Price River Terminal, LLC (PRT).

We recognize that NEICO is requiring approval of the permit transfer application as a condition of the purchase/sale agreement. However, the Division has identified deficiencies that must be addressed prior to approval of the permit transfer application. Attached to this letter you will find a list of deficiencies separated into two sections.

Section I identifies the deficiencies that must be addressed prior to approval of the permit transfer application. Section II identifies outstanding deficiencies that can be addressed following the closing of the sale. The deficiencies in Section 2 would essentially be conditions that would need to be met prior to the actual issuance of the new permit to PRT. The initials of the deficiencies authors are provided so that your staff can communicate directly with that individual should questions arise.

The application is inadequate at this time. In order to facilitate an expedient review, please resubmit the entire corrected application by October 9, 2013. If you have any questions, please call me at (801) 538-5350.

Sincerely,

Daron Haddock
Coal Program Manager

DRH/SKC/ss
O:\007012.WEL\WG4391\WG4391DefLtr.docm



Deficiency List
Task No. #4391
Permit Transfer

Members of the review team with outstanding deficiencies:
Steve Christensen (SC)

I. Section I:

- a. **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 provide clarification. (SC)
- b. **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. (SC)
- c. **R645-300-132 and R645-303-341:** The Division is required to enter the Identification of Interests information (ownership/control) 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. (SC)
- d. **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. (SC)
- e. **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. (Will require executed C1/C2 forms) (SC)
- f. **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. (SC)

II. Section II (To be addressed following the closing of the sale):

- a. **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). (Will require executed C1/C2 forms) (SC)
- b. **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. (SC)