



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

| | |
|------------------|-----------------------------|
| Permit Number: | C0070012 |
| Inspection Type: | COMPLETE |
| Inspection Date: | Monday, November 24, 2014 |
| Start Date/Time: | 11/24/2014 9:00:00 AM |
| End Date/Time: | 11/24/2014 3:00:00 PM |
| Last Inspection: | Wednesday, October 29, 2014 |

| Representatives Present During the Inspection: | |
|--|-----------------|
| Company | Patrick Collins |
| OGM | Karl Houskeeper |

Inspector: Karl Houskeeper

Weather: Overcast/Light Snow, Temp 32 Deg. F.

InspectionID Report Number: 4031

Accepted by: JHELFRIC
12/1/2014

Permittee: **PRICE RIVER TERMINAL, LLC**
 Operator: **WATCO TRANSLOADING, LLC**
 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
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

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

The records were reviewed prior to the field inspection.

Karl R. Houskeeper

Inspector's Signature:

Date Monday, November 24, 2014

Karl Houskeeper,
Inspector ID Number: 49

Note: This inspection report does not constitute an official statement of compliance with the regulatory program of the Division of Oil, Gas and Mining.
 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



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 performance 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 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Signs and Markers | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Topsoil | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Explosives | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Disposal of Excess Spoil, Fills, Benches | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Coal Mine Waste, Refuse Piles, Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Noncoal Waste | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 21. Bonding and Insurance | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

1. Permits, Change, Transfer, Renewal, Sale

A permit from the Division of oil, Gas Mining was issued effective December 10, 2014 and expires on December 10, 2019. The permit requires as a special condition the submittal of all water monitoring information into an electronic database administered by the Division.

Air Quality Permit DAQE-997-92 was issued on October 28, 1992 and is still in place for the mine site.

The insurance for this site is through Steadfast Insurance Company. The policy is effective on September 25, 2014 and expires on September 25, 2015. The policy covers the minimum requirements set forth by the Division. The certificate holder is shown on the policy as the State of Utah. The cancellation clause is acceptable to the Division.

The UPDES Permit for this site is under the General Permit UTG-040000 with a Site Specific Permit UTG_040010. The permit became effective on November 4, 2013 and expires at midnight August 31, 2018.

2. Signs and Markers

Mine identification signs were posted at all points of access into the mining permit area from a public access road. The signs contained all of the required information.

3. Topsoil

The topsoil pile located on the eastern side of the mine permit area has had straw wattles installed to aid in sediment control.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The last sediment pond inspection available for review was done for third quarter 2014. The inspection was done on September 30, 2014. no problems were noted for any of the sediment ponds.

4.c Hydrologic Balance: Other Sediment Control Measures

A recent amendment was approved by the Division which now also allows straw wattles to be used as other sediment control. During the site inspection works from Scamp Excavation were on site replacing or augmenting certain areas with straw wattles. The newly installed wattles are obvious on top of the new snow from recent storm events. One area where the wattles have been utilized is the topsoil pile located on the eastern side of the permit area.

7. Coal Mine Waste, Refuse Piles, Impoundments

The most recent refuse pile inspection was reviewed during the complete inspection. The third quarter 2014 inspection was done on September 30, 2014 by a registered P.E. in the State of Utah. The report was stamped, dated and signed.

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20. Air Quality Permit

Air Quality Permit DAQE-997-92 was issued on October 28, 1992 and is still in place for the mine site.

21. Bonding and Insurance

The bond for this location is \$4,142,000.00