State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Inspection Report

Permit Number:	**C0070012**
Inspection Type:	COMPLETE
Inspection Date:	Thursday, May 4, 2017
Start Date/Time:	5/4/2017 9:00:00 AM
End Date/Time:	5/4/2017 1:00:00 PM
Last Inspection:	Monday, April 17, 2017

Inspector: Karl Houskeeper,

Weather: Clear Skies, Temp. 65 Deg. F.

InspectionID Report Number: 5839

Accepted by: DHADDOCK
5/17/2017

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

Permitee: **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:

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Thursday, May 4, 2017

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

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UTAH DNR OIL, GAS & MINING

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

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.

No Air Quality Permit is required since production is below 5000 tons per year.

The insurance for this site is through Steadfast Insurance Company. The policy is effective on September 25, 2016 and expires on September 25, 2017 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 expire's at midnight August 31, 2018.

2. Signs and Markers

All access points of entrance into the mining permit area are clearly posted with an identification sign that contains the required information set forth in the R645 coal rules. The operators name, address, phone number and mining permit number are posted on the signs. The signs are in compliance with the coal rules.

4.a Hydrologic Balance: Diversions

The diversions appeared to be fully functional

4.b Hydrologic Balance: Sediment Ponds and Impoundments

First quarter 2017 sediment pond inspections were conducted on January 17, 2017. No structural weakness was identified. The existing sediment level is below the 60% clean elevation for all sediment ponds.

4.c Hydrologic Balance: Other Sediment Control Measures

All sediment control structures have been checked. There were a few that required minimal maintenance. Some maintenance was preformed by hand. Other areas that require equipment are scheduled on a spring maintenance list. Notably an area adjacent to the dryer pond where the railroad access activity has caused an impact.

4.e Hydrologic Balance: Effluent Limitations

The letter submitted to DEQ for January, February and March 2017 showed no discharge occurring from any of the authorized outfalls.

5. Explosives

No explosives are kept or maintained on site. There are no facilities on site to store explosives.

7. Coal Mine Waste, Refuse Piles, Impoundments

First quarter 2017 refuse pile inspections were conducted on January 17, 2017. No hazards or instability were noted.

8. Noncoal Waste

The site was free of noncoal waste items.

14. Subsidence Control

This is a surface facility. The site was a preparation plant and coal load out onto a rail access. The buildings have been removed but the slurry ponds, surface drainage structures and refuse piles remain. There is no subsidence associated with this site.

20. Air Quality Permit

No Air Quality Permit is required since production is below 5000 tons per year.

21. Bonding and Insurance

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

Slurry Cell Mining Being Shipped

Slurry Cell Mining

Slurry Cell Mining