



2010 Annual Report

FOR

WELLINGTON PLANT
Wellington, UT

March 7, 2011

C/007/045 Incoming

#3716

R



March 7, 2011

Mr. Daron Haddock
Permit Supervisor
Utah Division of Oil, Gas, and Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

**RE: 2010 Coal Mining Annual Report
Covol Engineered Fuels, LC
Mine Permit No. C/007/0045**

Dear Mr. Haddock:

Enclosed is the 2010 Coal Mining Annual Report for Covol Engineered Fuels, LC (Covol). Included in the appendices to the report are the 2010 Wellington Sedimentation Ponds Inspections, the Burrowing Owl Survey that was conducted in June 2010, and an updated site map.

If you have any questions regarding the enclosed report or need additional information, please call me at (801) 984-3770.

Sincerely,

Gina Rau
Director, Regulatory Compliance

Enclosures (1)

10653 S. River Front Parkway
Suite 300
South Jordan, UT 84095
P: 801.984.9400
F: 801.984.9410

File in:
 Confidential
 Shelf *2010 Annual Report*
 Expandable
Date Folder *03/03/2011/C0070045*
Confidential
See: For additional information

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MAR 10 2011
DIV. OF OIL, GAS & MINING

Submit by Email

Print Form

Reset Form

Annual Report

Date

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 31, 2011**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	<input type="text" value="COVOL Engineered Fuels LC"/>	Mine Name	<input type="text" value="COVOL"/>
Permit Number	<input type="text" value="C/007/0045"/>	Permit expiration Date	<input type="text" value="2014-09-01"/>
Operator Name	<input type="text" value="COVOL Engineered Fuels LC"/>	Phone Number	<input type="text" value="+1 (435) 613-1631"/>
Mailing Address	<input type="text" value="1865 West Ridge Road"/>	Email	<input type="text" value="grau@headwaters.com"/>
City	<input type="text" value="Wellington"/>	State	<input type="text" value="UT"/>
Zip Code	<input type="text" value="84542"/>		

CERTIFIED REPORTS

DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	<input type="text"/>
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	<input type="text"/>
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	A copy of the inspection report is contained in Appendix A of this report.
Other: <input type="text" value="Burrowing Owl Survey"/>		A copy of the report is contained in Appendix B of this report.

OPERATOR COMMENTS

The annual impoundment inspection and certification was performed on December 14, 2010 for the two basins at Covol's Wellington facility. The inspection report is contained in Appendix A of this report.

A burrowing owl survey was performed at Covol's Wellington facility on June 1, 2, 14, and 16, 2010. The report for this survey is contained Appendix B of this Annual Report.

REVIEWER COMMENTS

Met Requirements Did Not meet Requirements

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as an attachment to this report or currently file with the Division.

Please List Attachments:

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as an attachment to the report.

LEGAL/ FINANCIAL UPDATE

Included

DOGM File Location or Annual Report Location

N/A

REVIEWER COMMENTS

Met Requirements

Did Not meet Requirements

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2010, are to be provided to the Division as an attachment to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
General Site Map, Wellington Dry Coal Cleaning Facility	Plate 5-1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as an attachment to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Please List Attachments:

N/A

REVIEWER COMMENTS

Appendix A

2010 Wellington Sedimentation Pond Inspections



EarthFax

EarthFax
Engineering, Inc.
Engineers/Scientists
7324 So. Union Park Ave.
Suite 100
Midvale, Utah 84047
Telephone 801-561-1555
Fax 801-561-1861
www.earthfax.com

December 14, 2010

Gina Rau
Environmental Manager
COVOL Engineering Fuels, LC
10653 South River Front Parkway
Suite 300
South Jordan, UT 84095

Subject: Wellington sedimentation pond inspections

Dear Gina:

On December 14, 2010 I conducted an inspection of the sedimentation ponds at your Wellington, Utah facility. The results of those inspections are attached.

The ponds were essentially empty at the time of my inspection, and no water was flowing into or out of the ponds. The embankments and appurtenances associated with the ponds all appear to be in excellent condition. I did not observe any structural weaknesses or other hazardous conditions associated with the ponds. It is my opinion that the ponds adequately serve their intended purpose and may continue to be used for that purpose.

Please contact me if you have any questions.

Sincerely,

Richard B. White, P.E.
President

Enclosure



To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the tab key to move from one field to the next. To select a check box, click in the box or type an x.

GENERAL INFORMATION

Report Date 14 Dec 2010
 Permit Number C/007/0045
 Mine Name Wellington Dry-Coal Cleaning Facility
 Company Name Covol Engineered Fuels, LC

IMPOUNDMENT IDENTIFICATION

Impoundment Name East Pond
 Impoundment Number N/A
 UPDES Permit Number UTR 000685
 MSHA ID Number 42-02398

IMPOUNDMENT INSPECTION

Inspection Date 14 Dec 2010
 Inspected by Richard B. White
 Reason for Inspection Annual Inspection

(Annual, quarterly or other periodic inspections, critical installation , or completion of construction.)

- Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

Other than a small amount of erosion exists in the form of rills on the interior slopes of the pond, no signs of instability, structural weakness, or other hazardous conditions were observed.

Questions a and b are required for an impoundment, which functions as a Sedimentation pond.

- a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Maximum capacity 56,820 cf. 60% sediment capacity 56,620 cf. 100% sediment capacity 56,487 cf. Approximate sediment elevation at 45 % capacity.

- b. Principle and emergency spillway elevations.

Inlet/outlet elevation 5,507 feet.

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

No water was standing in the pond at the time of the inspection. As stated previously, a small amount of rill erosion exists on the interior slopes of the pond. This is not substantial. The resulting sediment is captured by the pond.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

The pond adequately serves its intended purpose and can remain in operation as currently constructed.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: Richard B. W. [Signature] Date: 14 Dec 2010

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

- | | YES | NO |
|--|-------------------------------------|--------------------------|
| 1. Is impoundment designed and constructed in accordance with the approved plan? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

COMMENTS/ OTHER INFORMATION

The pond adequately serves its intended purpose.

CERTIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

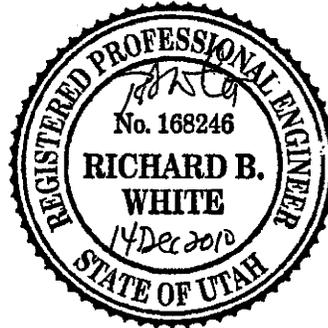
By: Richard B. White

Full Name and Title

Signature: Richard B. White Date 14 Dec 2010

P.E. Number & State 168246

[P.E. Cert. Stamp]



To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the tab key to move from one field to the next. To select a check box, click in the box or type an x.

GENERAL INFORMATION

Report Date	<u>14 Dec 2010</u>
Permit Number	<u>C/007/0045</u>
Mine Name	<u>Wellington Dry-Coal Cleaning Facility</u>
Company Name	<u>Covol Engineered Fuels, LC</u>

IMPOUNDMENT IDENTIFICATION

Impoundment Name	<u>West Pond</u>
Impoundment Number	<u>N/A</u>
UPDES Permit Number	<u>UTR 000685</u>
MSHA ID Number	<u>42-02398</u>

IMPOUNDMENT INSPECTION

Inspection Date	<u>14 Dec 2010</u>
Inspected by	<u>Richard B. White</u>
Reason for Inspection	<u>Annual Inspection</u>

(Annual, quarterly or other periodic inspections, critical installation , or completion of construction.)

- Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

Other than a small amount of erosion exists in the form of rills on the interior slopes of the pond, no signs of instability, structural weakness, or any other hazardous condition was observed.

Questions a and b are required for an impoundment, which functions as a Sedimentation pond.

- a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Maximum capacity 36,045 cf. 60 % sediment capacity 35,965 cf. 100% sediment capacity 35,911 cf. Approximate sediment elevation at 45 % capacity.

- b. Principle and emergency spillway elevations.

Outlet elevation = 5,510 feet.

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

A small amount of water and ice was present in the pond at the time of the inspection. As stated previously, a small amount of rill erosion exists on the interior slopes of the pond. This is not substantial. The resulting sediment is captured by the pond.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

The pond adequately serves its intended purpose and can remain in use as currently constructed.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: Richard J. Swler Date: 14 Dec 2010

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

- | | YES | NO |
|--|-------------------------------------|--------------------------|
| 1. Is impoundment designed and constructed in accordance with the approved plan? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

COMMENTS/ OTHER INFORMATION

The pond adequately serves its intended purpose.

CERTIFICATION STATEMENT:

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By: Richard B. White

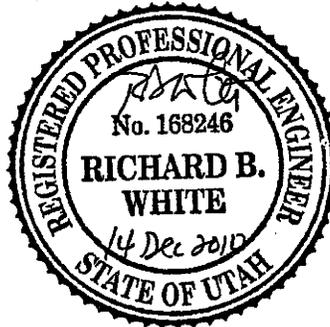
Full Name and Title

Signature: Richard B. White

Date 14 Dec 2010

P.E. Number & State 168246

[P.E. Cert. Stamp]



Appendix B
Burrowing Owl Survey

Appendix C

Plate 5-1 – General Site Map