

Print Form

Submit by Email

Reset Form

Annual Report

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 30, 2012**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

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

DOG M File Location or Annual Report Location

| | | |
|--------------------|---|--|
| Excess Spoil Piles | <input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required | |
| Refuse Piles | <input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required | |
| 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: | | |

OPERATOR COMMENTS

The annual impoundment inspection and certification was performed on December 22, 2011 for the two basins at Covol's Wellington facility. The inspection report is contained in Appendix A of this report.

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: BURROWING OWL PROTECTION

Objective: If future land disturbing activities are planned during Burrowing Owl Breeding season (February-August), Covol commits to conduct a survey of the area. COVOL will meet with the Division and DWR if burrowing owls are identified.

Frequency: Once prior to land disturbing activity

Status: Required prior to land disturbing activity

Reports: Immediately report to Division plans for land disturbing activity. Summary of survey in annual report.

Citation: MRP, Chapter 3, Section 3.3.3, page 3-9

Title: Raptor Protection

Objective: If future land disturbing activities are planned, Covol commits to conduct a raptor survey of the area. COVOL will meet with the Division and DWR if raptors or nests are identified.

Frequency: Once prior to land disturbing activity

Status: Required prior to land disturbing activity

Reports: Immediately report to Division plans for land disturbing activity. Summary of survey in annual report.

Citation: MRP, Chapter 3, Section 3.3.3, page 3-10

OPERATOR COMMENTS (OPTIONAL)

No additional land was disturbed during the reporting period.

REVIEWER COMMENTS

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

N/A

Reviewer Comments

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2011, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. 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



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 6, 2012

Thomas C. Schmaltz
Corporate Environmental Director
Headwaters Incorporated
1160 Millstone Run
Bogart, GA 30622

Subject: Wellington, Utah sedimentation pond inspections

Dear Tom:

On December 5, 2012 I conducted an inspection of the sedimentation ponds at your Wellington, Utah facility. The results of those inspections are attached.

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 | 6 Dec 2012 |
| 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 | 5 Dec 2012 |
| Inspected by | Richard B. White |
| Reason for Inspection | Annual Inspection |

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

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

Other than a small amount of erosion existing 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.

60% sediment capacity 56,620 cf (at elev. 5497.3 ft). 100% sediment capacity 56,487 cf (at elev. 5498.6 ft). Approximate sediment elevation at the time of the inspection was 5495 ft, which is more than 2 ft lower than the 60% cleanout elevation.

- 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.

Approximately 1-2 inches of water was standing in the west end of 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. The pond can remain in operation as 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 Swler Date: 6 Dec 2012

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 6 Dec 2012

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 | 6 Dec 2012 |
| Permit Number | C/007/0045 |
| Mine Name | Wellington Dry-Coal Cleaning Facility |
| Company Name | Covol Engineered Fuels, LC |

IMPOUNDMENT IDENTIFICATION

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

IMPOUNDMENT INSPECTION

| | |
|-----------------------|-------------------|
| Inspection Date | 5 Dec 2012 |
| 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 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.

60 % sediment capacity 35,965 cf (at elev. 5503.4 ft). 100% sediment capacity 35,911 cf (at elev. 5505.4 ft). Approximate sediment elevation at the time of the inspection was 5501 ft, which is more than 2 ft lower than the 60% cleanout elevation.

- 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.

No water was present in the pond at the time of the inspection. 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 B. W. Let Date: 6 Dec 2012

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 *6 Dec 2012*

P.E. Number & State 168246

[P.E. Cert. Stamp]





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/01/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

| | | |
|---|---------------------------------------|--------------------------------|
| PRODUCER Marsh USA Risk & Insurance Services 15 West South Temple, Suite 700 Salt Lake City, UT 84101 Attn: Chris Brimhall (801) 533-3627 Fax (801) 533-3610 | CONTACT NAME: _____ | |
| | PHONE (A/C, No, Ext): _____ | FAX (A/C, No): _____ |
| E-MAIL ADDRESS: _____ | | |
| INSURER(S) AFFORDING COVERAGE | | NAIC # |
| INSURER A : Lexington Insurance Company | | _____ |
| INSURER B : Liberty Mutual Fire Ins Co | | 23035 |
| INSURER C : | | _____ |
| INSURER D : | | _____ |
| INSURER E : | | _____ |
| INSURER F : | | _____ |

COVERAGES **CERTIFICATE NUMBER:** SEA-002311925-04 **REVISION NUMBER:** _____

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|-----------|----------|---|-------------------------|-------------------------|--|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> SIR \$100,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | 014180717 | 10/01/2012 | 10/01/2013 | EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ EXCLUDED PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 \$ |
| B | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | | | AS2661064801032 | 10/01/2012 | 10/01/2013 | COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$ | | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N | N/A | WA266D064801012 (AOS) WC2661064801022 (OR, WI) | 10/01/2012 | 10/01/2013 | <input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER **CANCELLATION**

| | |
|-----------------------|--|
| EVIDENCE OF INSURANCE | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. |
| | AUTHORIZED REPRESENTATIVE of Marsh USA Risk & Insurance Services Chris Brimhall <i>Chris Brimhall</i> |