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CALLISTER NEBEKER & McCULLOUGH

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

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SALT LAKE CITY, UTAH 84133

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cc: Owe [signature] sig file
JP
8-5-94

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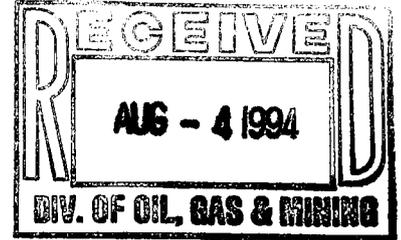
¹ALSO MEMBER ARIZONA BAR
²ALSO MEMBER FLORIDA BAR
³ALSO MEMBER MISSOURI BAR
⁴ALSO MEMBER CALIFORNIA BAR

August 2, 1994

OF COUNSEL
WAYNE L. BLACK, P.C.
(1904-1983)
RICHARD H. NEBEKER
EARL P. STATEN

LOUIS H. CALLISTER, SR.
(1904-1983)
PARNELL BLACK
(1897-1951)

TO CALL WRITER DIRECT



James W. Carter
State of Utah
Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Sunnyside Cogeneration Associates - AML Fees

Dear Jim:

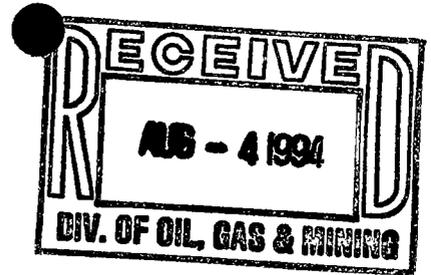
Enclosed please find a letter dated July 27, 1994 from the United States Department of the Interior, Office of Surface Mining ("OSM") to me stating that the Sunnyside Cogeneration Associates ("SCA") project is not subject to abandoned mine land ("AML") reclamation fees. We appreciate your support in resolving this issue favorably.

You have previously vacated NOV N93-26-4-1 which was issued for failure to pay AML fees. You upheld the issuance of NOV N93-26-3-1 which relates to failure to have documents showing that AML fees have been paid. In view of OSM's determination that AML fees are not required for the SCA project, please reconsider your determination relating to NOV N93-26-3-1. As you know, SCA has appealed this NOV to the Board of Oil, Gas & Mining.

My records indicate that the following fines are due related to the following NOV's:

- | | | | |
|----|----------------|----|---------|
| 1. | NOV N93-40-6-4 | | |
| | Part 1 of 4 | \$ | 360.00 |
| | Part 4 of 4 | | 380.00 |
| 2. | NOV N93-26-3-1 | | 500.00 |
| 3. | NOV N93-13-1-1 | | 130.00 |
| 4. | NOV N93-13-2-1 | | 1040.00 |
| 5. | CO C93-13-1-1 | | 750.00 |
| 6. | CO C93-13-2-1 | | 750.00 |

James W. Carter
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7. NOV N93-32-8-1	190.00
Total	\$ 4100.00

Of course, this amount would be reduced if you vacate the NOV related to AML fee records. Please call me to discuss these issues and verify the amounts listed above. Thank you for your cooperation in this regard.

Very truly yours,

CALLISTER NEBEKER & McCULLOUGH

A handwritten signature in cursive script, appearing to read "Brian W. Burnett".

Brian W. Burnett

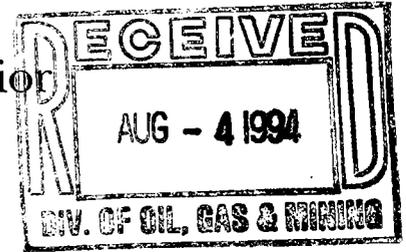
BWB/mcm
cc: Joe Helfrich
Bill Malencik
Alane Boyd
David Pearce
Bart Kraft
Fred Busch
Kendall Reed



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Washington, D.C. 20240

JUL 27 1994



Callister Nebeker
& McCullough

JUL 29 1994

Brian W. Burnett
Callister, Duncan & Nebeker
Suite 800, Kennecott Building
Salt Lake City, UT 84133

RECEIVED

Dear Mr. Burnett:

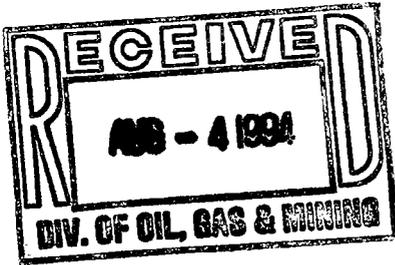
This is in response to the correspondence and other data you submitted regarding the applicability of reclamation fees to the coal waste material generated from the Sunnyside Mine wash plant, and burned in the waste-coal fired small power production facility operated by Sunnyside Cogeneration Associates (SCA).

According to the information you have provided, it is our understanding that:

1. the material was or is the by-product of the coal preparation process, and has been found by the Federal Energy Regulatory Commission (FERC) to have little or no commercial value;
2. FERC has certified the SCA operation as a waste burning facility and that certification remains valid;
3. the material is not processed to remove the residual coal from the aggregate waste material; and
4. the material from the Sunnyside wash plant, which will be burned in the SCA facility, has no market value.

Based on this and related information, we find that the waste material in question has no value and will not be subject to reclamation fees. We must emphasize, however, that this information is subject to review by our staff, and that you must notify us immediately if any of the conditions you cited or representations you made should change. In addition, this finding does not release or in any way circumscribe SCA's or related parties' responsibilities under Title V of the Surface Mining Control and Reclamation Act, and as specified in the permit issued by the Utah Department of Natural Resources.

Because SCA's refuse pile operation is permitted, it will still be necessary to report the tonnage used from the pile on the Coal Reclamation Fee Report (Form OSM-1) that is mailed to operators each calendar quarter. Should you have any questions on these matters, please contact Jane Gray (606-233-2808) or James Krawchyk (412-921-2676) of our audit staff.



Sincerely,

A handwritten signature in black ink, appearing to read "Robert Ewing". The signature is stylized and written in a cursive-like font.

Robert Ewing, Assistant Director
Finance and Accounting