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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 6, 1995

CERTIFIED RETURN RECEIPT
P 074 978 476

Danny Mattingly, General Manager
Sunnyside Operations Associates L.P.
P.O. Box 10
East Carbon, Utah 84250

Re: Mid-Term Permit Review, Sunnyside Cogeneration Associates, Sunnyside Refuse & Slurry, ACT/007/035, Folder #2, Carbon County, Utah

Dear Mr. Mattingly:

In accordance with the requirements of R645-303-211, the Division is required to review each permit issued and outstanding under the State Program during the term of the permit. This review occurs at the mid-term of the five year period for which permits are issued in the state of Utah.

Enclosed are the findings and analysis resulting from the Mid-Term Permit Review, conducted by the Division for Sunnyside Cogeneration Associate's permit ACT/007/035. As noted in the findings, no additional requirements are necessary as a result of the Mid-Term Permit Review.

If you have any questions, please call.

Sincerely,

A handwritten signature in cursive script that reads "Daron R. Haddock".

Daron Haddock.
Permit Supervisor

Enclosure: Mid-Term Permit Review, dated October 4, 1995

cc: J. Helfrich (letter only)
R. Harden (letter only)
P. Grubaugh-Littig

MIDTERM.LTR

State of Utah
Division of Oil, Gas and Mining
Utah Coal Regulatory Program



Sunnyside Cogeneration Associates
ACT/007/035
MID-TERM FINDINGS AND ANALYSIS
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MID-TERM FINDINGS AND ANALYSIS

Last revised - October 4, 1995

INTRODUCTION

Regulatory Basis:

As required under R645-303-211, the Division will review each permit issued and outstanding under the State Program during the term of the permit. This review will occur not later than the middle of each permit term.

Permit Information:

Sunnyside Cogeneration Associates (SCA) was issued coal mine permit ACT/007/035 by the Utah Division of Oil, Gas and Mining on February 4, 1993. The permit term is for 5 years. Operations were projected to continue to the year 2013 as proposed in the original plan.

ANALYSIS

Permit Conditions, Division Orders, Notice of Violation (Nov) Abatement Plans, and Permittee-initiated Plan Changes Approved Subsequent to Permit Approval or Renewal:

Since issuance of the permit on February 4, 1993, several changes to the plan have been accomplished. A review conducted in 1993 by the Division of the Permit Conditions issued, resulted in a violation for failure to comply with the requirements of those conditions. Notice of Violation N93-13-2-1, was issued by the Division on November 16, 1993 for failure to comply with the terms and conditions of the permit issued, failure to provide a complete and concise plan of facilities and structures used in common, and failure to provide complete and adequately detailed information to be included in the plan at a minimum under R645-301 and R645-302.

Subsequent changes to the plan provided by SCA as part of the abatement requirements have, in effect, required the Division to review and evaluate SCA's entire plan. Due to the scope and the amount of work required to accomplish those changes by both the permittee and the Division, administrative delay was required to allow sufficient time to complete all of the objectives enumerated under the violation. Updated plans sufficient to meet all the abatement requirements are scheduled to be submitted by SCA on or before November 20, 1995 in accordance with the most recent modification of NOV N93-13-2-1.

Changes in the Utah Coal Regulatory Program Which Have Occurred Subsequent to Permit Approval or Renewal:

No changes in the Utah Coal Regulatory Program have occurred subsequent to issuance of the permit which have or would require changes in the plan or the permit.

Commitments for Application of the Best Technology Currently Available (BTCA) to Prevent Additional Contributions of Suspended Solids to Stream Flows Outside of the Permit Area:

Chapter 7, Section 750 of the plan states that sedimentation control measures will be maintained, reclaimed and constructed if needed and approved, according to R645-301-732, 742, and 763. This statement as well as other commitments in the plan ensure that additional

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contributions of suspended solids and sediment to streamflow or runoff outside the permit area will be prevented to the extent possible using the best technology currently available.

Compliance Status of the Permit:

All unabated enforcement actions comport with current regulations for abatement. All finalized penalties levied subsequent to permit issuance have been paid. There are no demonstrated Patterns of Violation (POV) resulting from enforcement actions taken since issuance of the permit.

Reclamation Bond:

A Reclamation Agreement was signed and became effective on February 4, 1993. The form of bond as provided in the Reclamation Agreement was in the form of a Letter of Credit, issued by First Security Bank, letter #S-09742-00018, in the amount of \$1,500,000.00.

The letter of credit has since been replaced with a surety bond, issued by the Frontier Insurance Company, bond no. 51123-A, accepted by the Division on April, 25, 1994. The surety bond amount is for \$1,500,000.00. The bonded area is a total of 304.85 acres.

The Division is currently evaluating the bond amount required for SCA as part of the review and approval of permit changes being made for abatement of NOV N93-13-2-1. Any changes to the form and amount of bond required by SCA will be made in conjunction with that review and approval.

Compliance with Variances or Special Permit Conditions:

No permit requirements for compliance with variances or special permit conditions including: Experimental Practices Mining; Mountaintop Removal Mining; Variances from Approximate Original Contour Restoration Requirements; and, variances for Delay in Contemporaneous Reclamation Requirement in Combined Surface and Underground Coal Mining and Reclamation Activities, were considered necessary or applicable to the permit at the time of issuance of the permit or as a result of this Mid-Term Permit Review.

Reclamation and Contemporaneous Reclamation Practices Undertaken on Predetermined Portions of the Disturbed Area to Minimize, to the Extent Practicable, the Contribution of Acid or Toxic Materials to Surface or Groundwater, and to Otherwise Prevent Water Pollution:

Contemporaneous reclamation practices on the site included the reclamation of the Old Coarse Refuse Road. The disturbance associated with this area is approximately 5.35 acres. This activity alleviated potential surface and groundwater contamination caused by the presence of acid/toxic-forming materials used for surfacing the haul road.

Additionally, investigation into the possibility of contaminated surface and groundwater associated with a seep at the base of the coarse refuse pile by both the Division and SCA have resulted in additional mine plan information requirements. Analysis and discussion of these considerations can be found in the Draft Technical Analysis, revised on October 4, 1995 or more

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recently. These considerations are being addressed by the Division under the abatement plan requirements of NOV N93-13-2-1.

FINDINGS

Based on this analysis and other information reviewed by the Division as part of this Mid-Term Permit Review, the permittee, Sunnyside Cogeneration Associates, was found to be in compliance with the general terms and conditions of permit ACT/007/035. No additional requirements or conditions under the Utah Coal Regulatory Program were found necessary as a result of this Mid-Term Permit Review.

Oct 6, 1995

Date

Daron R Haddock

Daron Haddock, Permit Supervisor
Utah Division of Oil, Gas and Mining