

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

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PERMITTEE

Acting Manager: Craig Wentz  
Sunnyside Cogeneration Associates  
P.O. Box 10  
East Carbon, Utah 84250

Sunnyside Cogeneration Associates

PERMIT NUMBER ACT/007/035  
DIVISION ORDER # 96B

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ORDER AND FINDINGS  
of  
PERMIT DEFICIENCY

PURSUANT to R645-303-212, the DIVISION ORDERS the PERMITTEE, Sunnyside Cogeneration Associates, to make the permit changes enumerated in the Findings of Permit Deficiency in order to be in compliance with the State Coal Program.

FINDINGS OF PERMIT DEFICIENCY

The Division has reviewed permit ACT/007/035 for adequacy and finds that the bond amount will require adjustment to conform to the permit as revised. The Division has determined that the performance bond for reclamation as required under the permit must be increased from \$1,500,000.00 to \$1,900,000.00.

This Division Order, 96B, supercedes the requirements and findings of Division Order 96A, dated July 1, 1996 and serves as written notice to the permittee, the surety, and any person with a property interest in collateral who has requested notification under R645-301-860.260 of the proposed adjustment to the bond amount.

Changes in the bond amount are a result of modifications to the operating and reclamation plan and evaluation of that plan over the existing permit term. These changes are pursuant to the provisions as found under R645-301-830.400.

Considerations by the Division in adjusting the bond amount from \$2,094,000.00 as was stipulated in Division Order 96A to \$1,900,000.00 as required under this Division Order are primarily made in regard to evaluation of the bond amount in terms of ensuring adequate

performance bond for the permit term rather than the life of the operations.<sup>1</sup>

The current permit term expires on February 4, 1998. In conjunction with permit renewal under the requirements of R645-303-232.230, re-evaluation of the bond amount will be made to ensure that adequate bond will be provided by the permittee prior to permit renewal.<sup>2</sup> Unless a change in the operation and reclamation plan occurs by permit amendment or by permit revision, re-evaluation or adjustment to the bond amount will not be required until then.

Regulations Cited: R645-301-800.

Requirements

In order to comply with the requirements of the regulations, the permittee must provide additional bond in a form and amount as approved by the Division.

ORDER

Sunnyside Cogeneration Associates, is ordered to make the requisite permit changes in accordance with R645-303-220 and to submit a complete and adequate Reclamation Agreement with the revised bond amount within 30 days of the date of this order, (December 27, 1996).

Ordered this 26th day of November, 1996, by the Division of Oil, Gas and Mining.



James W. Carter, Director  
Division of Oil, Gas and Mining

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<sup>1</sup>The Permittee petitioned that costs associated in determination of the bond amount were based on conditions that may exist at some point in time over the life (20-30 years) of the operation and were not based on conditions that are planned or would exist within the current permit term. The Division concurred that the bond amount is based on reclamation costs for the permit term (5 years). In consideration of this, bond amount was re-evaluated by the Division and revised to \$1,900,000.00 to meet reclamation obligations within the current permit term.

<sup>2</sup>In accordance with R645-301-830.410, the amount of the bond or deposit required and the terms of the acceptance of the applicant's bond will be adjusted by the Division from time to time as the area requiring bond coverage is increased or decreased or where the cost of future reclamation changes. The Division may specify periodic times or set a schedule for reevaluating and adjusting the bond amount to fulfill this requirement.