



### VACATION / TERMINATION OF NOTICE OF VIOLATION / CESSATION ORDER

To the following Permittee or Operator:

Name SUNNYSIDE COGEN AND ASSOC.

Mailing Address 1 POWER PLANT RD SUNNYSIDE UT 84539

State Permit No. ACT/007/035

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., *Utah Code Annotated* (1953):

Notice of Violation No. N \_\_\_\_\_ dated \_\_\_\_\_, 19 \_\_\_\_\_.

Cessation Order No. C ACT/007/035-96A1 dated OCT 24, 19 96.

Part 1 of 1 is  vacated  terminated because BOND IN THE FORM AND AMOUNT  
AS APPROVED BY THE DIVISION HAS BEEN RECEIVED.

(COPY OF SIGNED BOND DOCUMENT ATTACHED)

Part \_\_\_\_\_ of \_\_\_\_\_ is  vacated  terminated because \_\_\_\_\_

Part \_\_\_\_\_ of \_\_\_\_\_ is  vacated  terminated because \_\_\_\_\_

Date of ~~XXXXX~~/mailing JANUARY 8, 1997 Time of ~~XXXXX~~/mailing 2:00  a.m.  p.m.

ACTING  
Permittee/Operator representative

GENERAL MANAGER  
Title

MAILED FROM SLC OFFICE  
Signature

TIM CARTER  
Division of Oil, Gas & Mining

DIRECTOR  
Title

  
Signature

CC: **BRIAN BURNETT**  
**WILLIAM MALENCIK**



CALLISTER NEBEKER  
& McCULLOUGH

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

SUITE 900 KENNECOTT BUILDING  
SALT LAKE CITY, UTAH 84133  
TELEPHONE 801-530-7300  
FAX 801-364-9127

OF COUNSEL  
RICHARD H. NEBEKER  
EARL P. STATEN

LOUIS H. CALLISTER, SR.  
(1904-1983)  
FRED L. FINLINSON  
(1906-1995)

TO CALL WRITER DIRECT

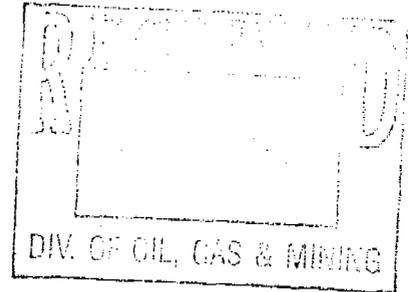
LOUIS H. CALLISTER  
GARY R. HOWE  
L. S. McCULLOUGH, JR.  
FRED W. FINLINSON  
DOROTHY C. PLESHE  
JOHN A. BECKSTEADT  
JEFFREY N. CLAYTON  
JAMES R. HOLBROOK  
W. WALDAN LLOYD  
H. RUSSELL HETTINGER  
JEFFREY L. SHIELDS  
STEVEN E. TYLER  
CRAIG F. McCULLOUGH  
RANDALL D. BENSON  
GEORGE E. HARRIS, JR.  
T. RICHARD DAVIS

DAMON E. COOMBS  
BRIAN W. BURNETT  
CASS C. BUTLER  
ANDRÉS DÍAZ  
LYNDA COOK  
JOHN H. REES  
MARK L. CALLISTER  
P. BRYAN FISHBURN  
JAN M. BERGESON  
LAURIE S. HART  
JOHN B. LINDSAY  
HOWARD B. GEE  
DOUGLAS K. CUMMINGS  
LUCY KNIGHT ANDRE  
ZACHARY T. SHIELDS

\*ALSO MEMBER ARIZONA BAR  
\*ALSO MEMBER MISSOURI BAR  
\*ALSO MEMBER CALIFORNIA BAR  
\*ALSO MEMBER OHIO BAR

December 20, 1996

HAND DELIVERED



Randy Harden  
Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

Re: Sunnyside Cogeneration Associates - Permit No. ACT/007/035  
Division Order #96B

Dear Randy:

Enclosed please find the following documents:

1. Frontier Insurance Company ("Frontier") Rider dated December 4, 1996 increasing Bond No. 35790 dated March 30, 1994 issued by Frontier on behalf of Sunnyside Cogeneration Associates ("SCA") from \$1,500,000.00 to \$1,900,000.00 executed by Walter R. Strotz on behalf of SCA and by Robert E. Shaw, Jr., Attorney-in-Fact on behalf of Frontier.
2. Exhibit D - Stipulation to Revise Reclamation Agreement increasing SCA's bonding amount to \$1,900,000.00 executed by Walter R. Strotz on behalf of SCA on December 19, 1996.
3. Affidavit of Qualification - Permittee executed by Walter R. Strotz on behalf of SCA.
4. Power of Attorney executed by Frontier appointing Robert E. Shaw, Jr. Attorney-in-Fact.

As we discussed, these documents satisfy the requirements of the Division of Oil, Gas & Mining's ("Division") Order 96B increasing SCA's bonding amount.

Randy Harden  
December 20, 1996  
Page 2

As set forth in the Stipulation with SCA and the Division dated December 4, 1996, the appeal should be dismissed, the Cessation Order No. C ACT/035-96A-1 should be terminated, NOV No. N93-13-1 should be terminated.

Please execute the documents and return a copy to me for my records.

Thank you for your cooperation in this regard. If you have any questions, please feel free to contact me.

Very truly yours,

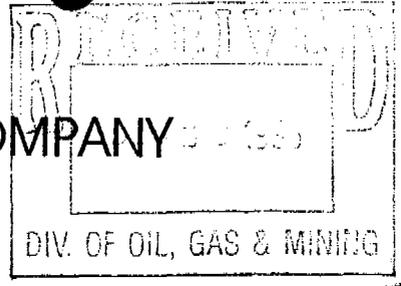
CALLISTER NEBEKER & McCULLOUGH

A handwritten signature in cursive script, appearing to read "Brian W. Burnett", with a long horizontal flourish extending to the right.

Brian W. Burnett

cc: Steven F. Alder  
Assistant Attorney General

FRONTIER INSURANCE COMPANY  
ROCK HILL, NEW YORK



Rider

To be attached to and form a part of Bond No. 35790 Dated the THIRTIETH day of MARCH, 1994, issued by Frontier Insurance Company, as Surety, on behalf of SUNNYSIDE COGENERATION ASSOCIATES, 20 SOUTH VAN BUREN AVENUE, BARBERTON, OHIO 44203-0351, as Principal, in the penal sum of ONE MILLION, FIVE HUNDRED THOUSAND AND 00/00 Dollars (\$1,500,000.00) and in favor of STATE OF UTAH, DIVISION OF OIL, GAS & MINING, 355 W. NORTH TEMPLE, 3 TRIAD CENTER, SALT LAKE CITY, UTAH 84180-1203, as Obligee.

In consideration of the premium charged for the attached bond, it is hereby agreed that the attached bond be amended as follows:

1. The Bond Amount is hereby increased from ONE MILLION, FIVE HUNDRED THOUSAND AND 00/00 (\$1,500,000.00) to ONE MILLION, NINE HUNDRED THOUSAND AND 00/100 (\$1,900,000.00).

Provided, However, that the attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified, and further that the liability of the Surety under the attached bond and the attached bond as amended by this rider shall not be cumulative.

This rider shall become effective as of the FOURTH day of DECEMBER, 1996.

Signed, sealed and dated this FOURTH day of DECEMBER, 1996.

Witness

by

A handwritten signature in black ink, appearing to be "Walter R. Shaw", written over a horizontal line.

SUNNYSIDE COGENERATION ASSOCIATES

by

A handwritten signature in black ink, appearing to be "Walter R. Shaw", written over a horizontal line.

Witness

by

A handwritten signature in black ink, appearing to be "Robert E. Shaw, Jr.", written over a horizontal line.

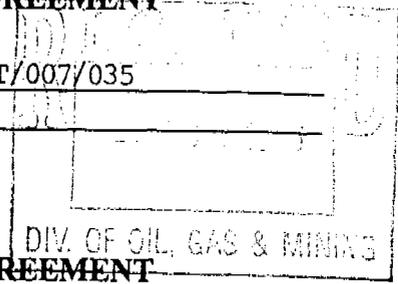
FRONTIER INSURANCE COMPANY

by

ROBERT E. SHAW, JR., Attorney-In-Fact

Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

Permit Number: ACT/007/035  
Effective Date: \_\_\_\_\_



**COAL**  
**STIPULATION TO REVISE RECLAMATION AGREEMENT**

--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions Below)

The Reclamation Bond amount has been increased from \$1,500,000.00 to \$1,900,000.00

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**:

\_\_\_\_\_ Replace the **RECLAMATION AGREEMENT** in its entirety.

\_\_\_\_\_ Replace Exhibit "A" - **SURFACE DISTURBANCE**.

\_\_\_\_\_ Replace Exhibit "B" - **BONDING AGREEMENT**.

\_\_\_\_\_ Replace Exhibit "C" - **LIABILITY INSURANCE**.

The **BONDING** amount is revised from (\$ 1,500,000.00 ) to (\$ 1,900,000.00).

The **SURFACE DISTURBANCE** is revised from \_\_\_\_\_ acres to \_\_\_\_\_ acres.

The **EXPIRATION DATE** is revised from \_\_\_\_\_ to \_\_\_\_\_.

The **LIABILITY INSURANCE** carrier is changed from \_\_\_\_\_  
to \_\_\_\_\_.

The **AMOUNT** of **INSURANCE** coverage for bodily injury and property damage is changed from (\$ \_\_\_\_\_ ) to (\$ \_\_\_\_\_).

Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal  
this 19<sup>th</sup> day of December, 19 96.

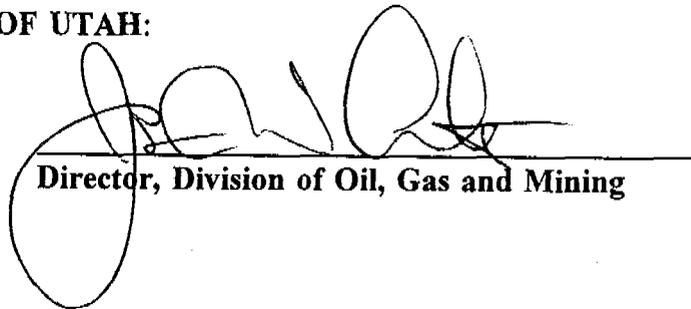
SUNNYSIDE COGENERATION ASSOCIATES

**PERMITTEE**

By: Wally R. Stewart

Title: Authorized Member

**ACCEPTED BY THE STATE OF UTAH:**

  
\_\_\_\_\_  
Director, Division of Oil, Gas and Mining

**NOTE:** An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVIT OF QUALIFICATION  
PERMITTEE  
--ooOOoo--**

I, Walter R. Strotz, being first duly sworn under oath, deposes and says that he/she is <sup>an</sup> ~~the~~ (officer or agent) Authorized Member of SUNNYSIDE COGENERATION ASSOCIATES; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

(Signed) Walter R. Strotz - Authorized Member  
Name - Position

Subscribed and sworn to before me this 19<sup>th</sup> day of December, 19 96.

Thomas L. Harnden  
Notary Public

THOMAS L. HARNDEN, Attorney-At-Law  
Notary Public - State of Ohio  
My commission has no expiration date  
Sec. 147.03 R. C.

My Commission Expires:  
\_\_\_\_\_, 19 \_\_\_\_.

Attest:

STATE OF Ohio )  
COUNTY OF Summit ) ss:

**POWER OF ATTORNEY**

**Know All Men By These Presents:** That FRONTIER INSURANCE COMPANY, a New York Corporation, having its principal office in Rock Hill, New York, pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 4th day of November, 1985:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.

DOES HEREBY MAKE, CONSTITUTE AND APPOINT: **DAVID H. SKILLINGS ROBERT E. SHAW, JR A.G. ABBOTT**

of **South Freeport** in the State of **Maine**  
 its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of re-delegation, as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed; IN AN AMOUNT NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND (\$3,500,000.00) DOLLARS; and to bind FRONTIER INSURANCE COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of FRONTIER INSURANCE COMPANY, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

**In Witness Whereof**, FRONTIER INSURANCE COMPANY of Rock Hill, New York, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this **2nd** day of **June**, 19 **94**

FRONTIER INSURANCE COMPANY



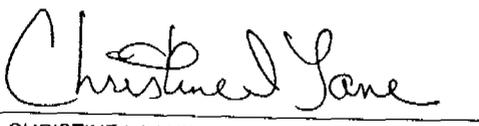
BY:   
 WALTER A. RHULEN, President

State of New York  
 County of Sullivan ss.:

On this **2nd** day of **June**, 19 **94**, before the subscriber, a Notary Public of the State of New York in and for the County of Sullivan, duly commissioned and qualified, came WALTER A. RHULEN of FRONTIER INSURANCE COMPANY to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument, is now in force.

**In Testimony Whereof**, I have hereunto set my hand, and affixed my official seal at Rock Hill, New York, the day and year above written.



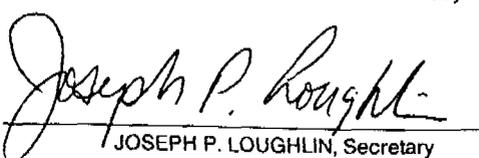
  
 CHRISTINE I. LANE  
 Notary Public State of New York  
 Sullivan County Clerk's No. 1996  
 Commission Expires May 2, 1998

**CERTIFICATION**

I, JOSEPH P. LOUGHLIN, Secretary of FRONTIER INSURANCE COMPANY of Rock Hill, New York, do hereby certify that the foregoing Resolution adopted by the Board of Directors of this Corporation and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Powers of Attorney are in full force and effect.

**In Witness Whereof**, I have hereunto set my hand and affixed the facsimile seal of the corporation this **18th** day of **DECEMBER**, 19 **96**



  
 JOSEPH P. LOUGHLIN, Secretary

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address. (Extra charge)      2.  Restricted Delivery (Extra charge)

<p>3. Article Addressed to:</p> <p><b>DANNY MATINGLY          GENERAL MANAGER          SUNNYSIDE COGENERATION ASSOCIATES          P O BOX 10          EAST CARBON UT 84520</b></p>	<p>4. Article Number  <b>P 074 979 431</b></p>
<p>Type of Service:</p> <p><input type="checkbox"/> Registered      <input type="checkbox"/> Insured  <input checked="" type="checkbox"/> Certified      <input type="checkbox"/> COD  <input type="checkbox"/> Express Mail      <input type="checkbox"/> Return Receipt for Merchandise</p>	
<p>Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b></p>	
<p>5. Signature - Address          X <i>[Signature]</i></p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>6. Signature - Agent          X <i>[Signature]</i></p>	
<p>7. Date of Delivery</p>	

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS



**SENDER INSTRUCTIONS**  
 Print your name, address and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE USE, \$300

RETURN TO

Print Sender's name, address, and ZIP Code in the space below.

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