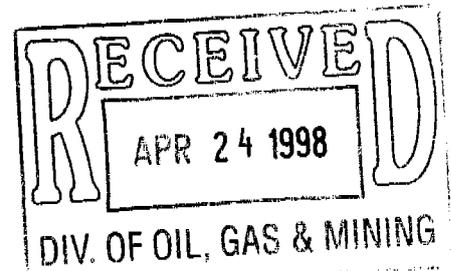


Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (801) 888-4476 • Fax (801) 888-2538

April 23, 1998



Pam Grubaugh-Littig
STATE OF UTAH
Utah Coal Regulatory Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Copy PAM

RE: Five Year Permit Renewal, Sunnyside Cogeneration
Associates, Sunnyside Refuse and Slurry, ACT/007/035, #2
Folder #3, Carbon County, Utah.
(Division Transmittal letter Dated February 4, 1998)

Dear Ms. Littig:

Enclosed is a signed copy by SCA's authorized representative for the renewed program mining and reclamation permit for the Sunnyside Refuse and Slurry Operation.

Also, listed below are the changes to the Technical Analysis agreed upon by both parties per our telephone conference call held on March 17, 1998.

- The revised bond amount as stated in the Division's February 4, 1998, letter (\$1,074,000) was in error. The Division advised that the correct amount should be \$1,747,000.
- In the permit renewal AVS findings, Savage Coal Company is stated to be the Operator of the mining facility. Savage Coal Company is a hired contractor, **NOT** the operator of SCA's mining facility.
- In the permit renewal AVS findings, Savage Industries is referenced to be involved in a Settlement Agreement with the State of Kentucky for violations at the Catawba Mine. This AVS link is to Theodore H. Black who is a director of McDermott International, Inc. (no connection to Savage Industries). For future information regarding the applicants relationship to McDermott International, Inc., please reference Chapter I of SCA's application.

Ms. Littig
April 23, 1998
Page 2

If any additional information is needed please contact Rusty Netz
at (435)888-4476.

Thank You,
Sunnyside Operations Associates, L.P.



Harold C. Sallas
General Manager

cc: Doug Burnham, B&W
Bob Evans, NRG
Rusty Netz, SOA
Plant File