0005

STATE OF UTAH
NATURAL RESOURCES
Division of Oil, Gas & Mining

3 Triad Center · Suite 350 · Salt Lake City, UT 84180-1203 · (801) 538-5340

inspection report

☑ Partial
☐ Complete
☐ Exploration

Inspection Date: October 14, 1998
Time: 10 : 00 ☑am ☐pm to 1 : 00 ☐am ☑pm
Date of Last Inspection: 9/9/98

Mine Name: Sunnyside Refuse County: Carbon Permit Number: ACT 007/035
Permittee and/or Operator's Name: Sunnyside Cogeneration Associates
Business Address: P.O. Box 10, East Carbon, UT 84570
Type of Mining Activity: ☐ Underground ☑ Surface ☐ Prep. Plant ☐ Other
State Officials(s): Bill Malencek & Joe Helfrich
Company Official(s): Rusty Netz
Federal Official(s): N/A
Weather Conditions: Pt Cloudy - Temp 60°
Existing Acreage: Permitted-310 Disturbed-202 Regraded-____ Seeded-____ Bonded-202
Increased/Decreased: Permitted-✓ Disturbed-____ Regraded-____ Seeded-____ Bonded-____
Status: ☐ Exploration / ☑ Active / ☐ Inactive / ☐ Temporary Cessation / ☐ Bond Forfeiture
☐ Reclamation (☐ Phase I / ☐ Phase II / ☐ Final Bond Release / ☐ Liability____Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions
1. Substantiate the elements on this inspection by checking the appropriate performance standard.
   a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
   b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	☑	☐	☑	☐
2. SIGNS AND MARKERS	☑	☐	☐	☐
3. TOPSOIL	☑	☐	☐	☐
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	☑	☐	☐	☐
b. SEDIMENT PONDS AND IMPOUNDMENTS	☐	☐	☐	☐
c. OTHER SEDIMENT CONTROL MEASURES	☐	☐	☐	☐
d. WATER MONITORING	☐	☐	☐	☐
e. EFFLUENT LIMITATIONS	☐	☐	☐	☐
5. EXPLOSIVES	☐	☐	☐	☐
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	☑	☐	☑	☐
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	☑	☐	☑	☐
8. NONCOAL WASTE	☐	☐	☐	☐
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	☐	☐	☐	☐
10. SLIDES AND OTHER DAMAGE	☐	☐	☐	☐
11. CONTEMPORANEOUS RECLAMATION	☐	☐	☐	☐
12. BACKFILLING AND GRADING	☐	☐	☐	☐
13. REVEGETATION	☐	☐	☐	☐
14. SUBSIDENCE CONTROL	☐	☐	☐	☐
15. CESSATION OF OPERATIONS	☐	☐	☐	☐
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	☐	☐	☐	☐
b. DRAINAGE CONTROLS	☐	☐	☐	☐
17. OTHER TRANSPORTATION FACILITIES	☐	☐	☐	☐
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	☐	☐	☐	☐
19. AVS CHECK (4th Quarter-April, May, June)____(date)	☐	☐	☐	☐
20. AIR QUALITY PERMIT	☐	☐	☐	☐
21. BONDING & INSURANCE	☐	☐	☐	☐
22. Other	☑	☐	☑	☐

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Please number comments to correspond with topics on previous page.

General Comments: Joe Helfrich accompanied the undersigned and Rusty Netz on the instant inspection.

The inspection was confined to the upper site. The matters of current interest includes:

(1) Receiving coal from the Sunnyside Coal Mine
(2) Coal Waste from Horizon and
(3) Coke Breeze alledged plans by COVOL.

Chapter 9 pages 900-2 - 900-4 discuss the standing approved MRP wherein COGEN can receive coal waste from other sites. Also the MRP states COGEN may purchase coal as necessary to carry on there operations

Coal from Sunnyside Reclamation has been transported and stored in an approved designated area. The storage areas were observed.

The proposed storage area for the Horizon Coal Waste was also pointed by Mr Netz. It is in an area where coal waste cleaned from slurry cells #1 & #2 had been stored in the past and subsequently reclaimed by Sunnyside Coal Co.

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Inspector's signature No.

WHITE – DOGM YELLOW – OSM PINK – PERMITTEE/OPERATOR GOLDENROD – NOV FILE

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However, the area has heretofore been cleaned and now is again available for the storage of coal waste

Spoil Pile, Mr. Nietz pointed out that the area is currently being utilized to store tipple reject coal waste. The material is stored in an approved spoil pile.

Coke Breeze, It has come to my attention that COVOL has brought in a backhoe and extracted coke breeze. This was done to sample coke quality

The area where the samples were taken lies outside of the Co-Gen permit area, contiguous to Co-Gen's permitted area, and lying in the former Sunnyside Coal Mine permit area.

Within the sunnyside permit, the coke breeze areas has been reclaimed and is covered with vegetation.

Coke Breeze is the extra fine coke that remains when coal is coked and the coke is removed. The remnant fine coke is what has been stored and subsequently reclaimed

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Should COVOLs testing prove favorable ie, quality coke fines, it would appear covol will use their bricketting technology to convert coke fines into bricketts.

The current coke fines have been covered with soil and has a dense stand of vegetation ie. 70% grass, 20% brouse and 10% forks. The grass and forks are perennials Since these coke fine areas are in the Sunnyside Permit area, it does not appear to be in the interest of environment to mine the coke fines with having some obligation to reclaim the area.

Several questions need to be answered

- What is coke? Coke is a coal product that involves a process where met coal is subject to a temperature of approximately 1800° and the impurities are volatized leaving a nearly pure carbonaceous material

Questions

① Does coke breeze and its extraction subject such activities to state and federal laws?

② Is coke breeze, as currently postured, considered a mineral?

③ Is Covol obligated to reclaim the area if they extract the coke breeze?

Copy of report mailed to SCA/Rusty Netz; OSM/Henry Austin; DOGM/Joe Helfrich

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