

0016



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

INSPECTION REPORT

SW by [signature]

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Partial: ___ Complete: XXX Exploration: ___
Inspection Date & Time: [redacted] 0:00a.m.-3:00p.m.
Date of Last Inspection: 9/8/2000

Mine Name: Sunnyside Refuse/Slurry County: Carbon Permit Number: AC [redacted]
Permittee and/or Operator's Name: Sunnyside Cogeneration Associates
Business Address: P.O. Box 10, East Carbon, Utah 84520
Type of Mining Activity: Underground ___ Surface XXX Prep. Plant ___ Other ___
Company Official(s): Rusty Netz
State Official(s): Bill Malencik Federal Official(s): None
Weather Conditions: Partly Cloudy, 70's
Existing Acreage: Permitted 310 Disturbed 202 Regraded ___ Seeded ___
Status: Exploration ___ Active XXX Inactive ___ Temporary Cessation ___ Bond Forfeiture ___
Reclamation (Phase I ___ Phase II ___ Final Bond Release ___ Liability ___ Year ___)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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.

Table with 5 columns: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include: 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; 2. SIGNS AND MARKERS; 3. TOPSOIL; 4. HYDROLOGIC BALANCE; 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 ISSUES; 10. SLIDES AND OTHER DAMAGE; 11. CONTEMPORANEOUS RECLAMATION; 12. BACKFILLING AND GRADING; 13. REVEGETATION; 14. SUBSIDENCE CONTROL; 15. CESSATION OF OPERATIONS; 16. ROADS; 17. OTHER TRANSPORTATION FACILITIES; 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS; 19. AVS CHECK (4th Quarter- April, May, June); 20. AIR QUALITY PERMIT; 21. BONDING & INSURANCE.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: ACT/007/035

DATE OF INSPECTION: 10/5/2000

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

GENERAL COMMENTS

A complete inspection of the Sunnyside Cogeneration Mine was completed on 10/5/2000. These are the highlights of the inspection:

-Midterm was completed on 8/22/2000. These were three follow-up items:

- 1) Grouting the riprap to the clear water pond inlet. Needs to be completed in 30 days.
- 2) Repairing the road going down to the railcut pond. Needs to be completed in 30 days.
- 3) Repairing the ASCA drainage so the runoff will flow into the railcut pond. All the work had been completed. It consisted of constructing a moderate size berm that would make certain that the runoff would go to the railcut pond. The small ancillary road to the ASCA treatment was given routine erosion protection. Rusty stated he would look to seeding the road this fall.
- 4) Sunnyside permittee is preparing a response.

-The permittee obtained liability insurance. The effective date is 8/1/2000 to 8/1/2001. They did not have a copy of the new insurance form. Mr. Netz called the insurance company and they faxed him a current copy.

-Air quality permit was renewed by DEQ on 2/4/1998.

-Bonding is currently for \$1,900,000.00. OSM pointed out that the company holding the bond has received a "C" rating according to Rusty Netz. Pam is working with Brian Burnett to correct this problem.

-Annual report was submitted and is part of the official record.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permit expires February 4, 2002, and includes a Division approved surface mining permit for 323.95 acres.

The permittee has obtained Division approval to receive and do a test burn on coal tar. Coal tar from Geneva Steel would be taken to the Cogeneration plant for a test burn. The public at East Carbon have voiced concerns about this project. The project is hung up because of the value of the materials from Geneva Steel.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The majority of the site's diversions were clean and appeared to be capable of functioning as designed. Some diversion maintenance is required, due to sediment buildup.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The disturbed area contains eleven impoundments, of which seven are sediment ponds. There are four slurry approved impoundments. Slurry cell one and two are non-MSHA impoundments.

The east and west slurry cells are MSHA impoundments. These are monitored weekly. All slurry cells are inactive. This occurred when the Sunnyside Mine closed and no longer washed coal in 1994. The pond inspection reports were reviewed for the second quarter. No problems were noted.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/035

DATE OF INSPECTION: 10/5/2000

No impoundment was discharging during the inspection.

The permittee was granted thirty days to complete the work. The pond inlet was ripped and grouted.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The water monitoring has been completed for the second quarter. The report has been input into the new computer system, but has not been released into the data bank. Ken Wyatt and Joe Helfrich instructed how to properly clear the data so it will go in the data bank.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

Effluent limitations have been done on a monthly basis.

6. DISPOSAL OF EXCESS WASTE/FILLS/BENCHES

The permittee has an approved site to store spoil and tippable processing waste. Currently, spoil is stored in the decommissioned slurry cell as approved in the MRP. The waste is being placed in the slurry cell #1. The operation has moved into slurry cell #2.

Three sites were approved so that coal material would be stored on the spoil piles and not on the refuse pile. The three spoil piles were inspected for the third quarter and no problems were noted.

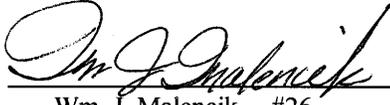
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The permittee is currently mining the west slurry cell and contiguous refuse pile. No mining has started on the east slurry cell.

No hazardous conditions relative to the waste pile were noted during the inspection. The third quarter inspection report was completed as required. Quarterly inspections were performed on all piles except for the east and west slurry cells, which are inspected weekly.

8. NONCOAL WASTE

The area was clear of non-coal waste except for a few pop cans located at the area where test drilling occurs. The permittee will remove these.

Inspector's Signature:  Date: October 12, 2000
Wm. J. Malencik #26

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

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cc: James Fulton, OSM
Rusty Netz, Cogen
Price Field office

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