



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

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INSPECTION REPORT

Handwritten initials/signature: PSL by [signature]

Partial: Complete: XXX Exploration:
Inspection Date & Time: 09/21/2001 / 8:15a.m.-1:30p.m.
Date of Last Inspection: 08/09/2001

Mine Name: Sunnyside Refuse/Slurry County: Carbon Permit Number: C/007/035
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): Peter Hess Federal Official(s): None
Weather Conditions: Clear, sunny, 60-80 degrees Fahrenheit
Existing Acreage: Permitted 310 Disturbed 202 Regraded Seeded
Status: Active XXX

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 categories like PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK; AIR QUALITY PERMIT; BONDING & INSURANCE.

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The following permits were reviewed: UDNR/OGM mining permit, the Utah DEQ/DWQ UPDES permit #UT0024759, and the Utah DEQ/DAQ DAQE-586-99 air quality permit. There were no problems noted. All permits are current.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversion berm located at the top of the outslope of the impounding embankment of the Rail Cut Sediment Pond needs to be rebuilt. It has been weathered to the point that flows have reported over the outslope creating a fairly significant erosion feature. The erosion occurred about 25 feet NW of the 007 discharge culvert. Mr. Netz agreed to repair the erosion feature and rebuild the berm to redirect the flows to a vegetated area.

The six-inch discharge culvert from the coal pile sedimentation pond (UPDES outfall 014) has had the end damaged during the cleaning of the immediate downstream channel. Mr. Netz agreed to repair this.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee had the second quarter impoundment inspections for the site's various sediment ponds conducted by Mr. Scott Carlson, Utah registered professional engineer, on June 7, 2001. Mr. Carlson certified the inspection reports on July 10, 2001; there were no signs of instability or any other hazardous conditions noted for any of the ponds. All ponds have an adequate sediment storage volume remaining.

The permittee had conducted the third quarter impoundment inspections as of today's UDNR/OGM quarterly inspection. There were no inspection reports for the third quarter available for review this day.

During today's field inspection, a few minor maintenance items were noted. These were:

- 1) The mangled end of the six-inch discharge culvert from Pasture Pond, UPDES point 009, which was mentioned above.
- 2) The erosion feature noted on the outslope of the impounding embankment of the Railcut Sediment pond noted above. The permittee also needs to re-establish the diversion berm on the SW edge of the road which crosses the impounding embankment of the Railcut pond.

There were no other problems noted with any of the other ponds.

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4D. HYDROLOGIC BALANCE: WATER MONITORING

The permittee submitted a letter to the UDNR/OGM on July 5, 2001 indicating that the second quarter water monitoring data (April, May, and June) was correct and ready to be processed into the Division's EDI web site.

The permittee has completed the third quarter water monitoring requirements for the site. To date, no analytical results has been received for those samples.

Discharge monitoring reports for the months of June, July, and August, 2001 were reviewed. There were no outfalls from any of the site's twelve UPDES discharge points. All reports were submitted in a timely fashion.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The permittee has applied for and received a change in the required inspection frequency for the East and West slurry cells (which have long been classified as MSHA ponds) through the U.S. Department of Labor, Mine Safety and Health Administration. The Sunnyside Mine stopped the processing of coal in March of 1994, and has not shipped slurry to these cells since that time. The West cell has not been capable of impounding water since the west and southwest impounding embankments (which were constructed of coal processing waste) have been mined to provide fuel for the generating station. The East cell is still capable of impounding water, but the only water reporting to it is precipitation runoff. The slurry ditch connecting the old Sunnyside Mine coal processing plant with the #1 and #2 slurry cells and the East and West cells has been reclaimed. The MSHA approval reduces the inspection frequency from the 7-day (R645-301-514.320) frequency to a 30-day frequency. It should be noted that this individual feels that the reduction in the inspection frequency for the East and West slurry cells is warranted.

The permittee continues mining in the coarse refuse pile as approved by the current mining and reclamation plan.

The permittee indicated this day that the current projected life for the Sunnyside Cogeneration Plant is 25 years, and that the remaining volumes of refuse within the coarse refuse pile indicate that the refuse pile will only last another thirteen years as a fuel source for the generation of electricity. The permittee is already seeking additional fuel sources to continue the manufacture of electricity for the other twelve years.

Mr. Netz stressed the fact that the 25 year projected life is what he has been authorized to project in order to obtain fuel supply, but that the plant life itself could go on indefinitely as long as the required plant maintenance/component renewal was performed by the permittee.

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14. SUBSIDENCE CONTROL

No subsidence report has been submitted because no underground mining activities have ever occurred within the permit area.

21. BONDING AND INSURANCE

The permittee's current bond holder is the Frontier Insurance Company, which has been classified as a class "C" surety by the U.S. Department of the Interior, Office of Surface Mining. In light of the Division's concern about the use of Frontier Insurance Company as the surety, Sunnyside Cogeneration Associates has established a pledge and escrow agreement with the Division. The permittee retains a copy of this agreement in the bond section of the inspection manual, which is maintained for UDNR/OGM inspection purposes. Same has not been signed by representatives of SCA or of the UDNR/OGM; thus the status of same is unknown at this time. The permittee has indicated that the bond amount for the site, as established by the UDNR/OGM, has been established within the escrow account.

Inspector's Signature: _____



Peter Hess #46

Date: September 24, 2001

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

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

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