



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

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INSPECTION REPORT

Partial ___ Complete XXX Exploration ___
Inspection Date: 08/15/2002/ Time: 9:30 - 13:30
Date of Last Inspection: 07/23/2002

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
Company Official(s): Rusty Netz
State Official(s): Karl R. Houskeeper Federal Official(s): None
Weather Conditions: Clear. Temp 101°F
Type of Mining Activity: Underground ___ Surface XXX Prep Plant ___ Other ___
Existing Acreage: Permitted 310 Disturbed 202 Regraded ___ Seeded ___
Status: Active

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, SIGNS AND MARKERS, TOPSOIL, HYDROLOGIC BALANCE, etc.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/035

DATE OF INSPECTION: 08/15/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The following permits were reviewed:

- Mining permit C/007/035 issued February 4, 1998 and expires February 4, 2003.
- UPDES permit #UT0024759 effective August 1, 2002 and expires midnight July 31, 2007
- Air Quality Permit DAQE-691-99 issued August 13, 1999, remains in effect.
- SPCC plan is only applicable to plant site which is not within the permit area.
- Certificate of Insurance effective 08/01/2002 and terminates 08/01/2003.
- Reclamation agreement is dated December 1996 and signed by both parties.

2. SIGNS AND MARKERS

The ID sign was observed adjacent to the tippie. The ID sign contains all the information. During the inspection, the MSHA refuse, excess spoil, topsoil, and impoundment signs were observed. All of the other signs and markers appear to meet the coal rules.

The topsoil pile adjacent to the coarse refuse toe pond is missing and needs to be replaced. The operator will order new signs and place one on the coarse refuse toe topsoil pile as soon as possible.

3. TOPSOIL

Inspected the topsoil piles. Vegetation on the piles exists, but is sparse due to the arid climate. The topsoil piles have been in place for some time and it does not appear that any wind erosion is taking place.

The coarse refuse toe topsoil pile is missing an ID sign as referenced above.

The topsoil pile south west of excess spoil pile #2 is protected from soil loss due to water erosion by an earthen berm. Portions of this berm have been filled in and are almost level to the top of the berm. Maintenance on this berm needs to be done to ensure the proper protection of this topsoil pile. The operator made note of this item to schedule maintenance prior to the next inspection.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

A review of the records showed that the sediment ponds and impoundments were inspected on 06/18/2002 and P.E. certified on 07/03/2002. This inspection and certification are for the 2nd quarter 2002. The 1st quarter 2002 inspection and certification was also reviewed during the inspection.

4D. HYDROLOGIC BALANCE: WATER MONITORING

A review of the EDI web site was conducted prior to the inspection. Second quarter 2002 information is in the pipeline waiting to be uploaded into the system. The water monitoring is current.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

Reviewed the DMR's for June 2002. No discharge took place

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/035

DATE OF INSPECTION: 08/15/2002

6. DISPOSAL OF EXCESS WASTE/FILLS/BENCHES

Excess spoil from the operation is currently being deposited into excess spoil pile #2. After the material is placed into the pile, the wood and trash is removed before it is spread out and compacted.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The MSHA refuse pile, excess spoil piles, and impoundments were inspected on 06/18/2002 and P.E. certified on 07/03/2002. During the inspection, the inspection and certification for 1st quarter 2002 was reviewed also.

8. NONCOAL WASTE

Noncoal waste was present in front of the culvert inlet of the culvert that crosses the access road to the refuse pile. The culvert mentioned above is adjacent to the pasture pond. The operator made note of the maintenance item and committed to clean the culvert inlet.

20. AIR QUALITY PERMIT

Air Quality Permit DAQE-691-99 issued August 13, 1999 remains in effect.

21. BONDING AND INSURANCE

A Pledge and Escrow agreement dated January 4, 2002 is in place. This agreement is between Wells Fargo and the Division of Oil, Gas and Mining on behalf of SCA. SCA has invested \$1,747,000 in federally guaranteed Treasury Notes.

Insurance for the site is under Liberty Mutual Fire Insurance Company. The policy was issued on August 1, 2002 and expires on August 1, 2003. The policy meets all the minimum requirements of the coal rules. No explosive coverage is noted on the insurance form. However, the MRP clearly identifies that all issues regarding explosives are not addressed, since explosives will not be used at the site.

Inspector's Signature:  Date: August 15, 2002
Karl R. Houskeeper #49

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
Randy Scott, Cogen
Price Field office
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