

INSPECTION REPORT

Partial Complete Exploration
 Inspection Date: 02/18/2003/ Time: 10:30 – 14:30
 Date of Last Inspection: 01/08/2003

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 41°F
 Type of Mining Activity: Underground Surface 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.

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

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/035

DATE OF INSPECTION: 02/18/2003

(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 3, 2003 and expires February 4, 2008.
- 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 mine ID sign is located adjacent to the tippie. The MSHA Refuse and Impoundment signs were also checked during the inspection. All of the signs and markers observed during the inspection comply with the coal rules.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

Reviewed the last inspection of the sediment ponds. The inspection was done on 12/04/2002 and certified on 12/27/2002. Ponds 004, 007, 008, 009, 012, 014, and 016 are the ponds within the permit area that are listed in the inspection report.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The water monitoring is current with the schedule in the MRP. Fourth quarter 2002 water monitoring is in the EDI website pipeline.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

Reviewed the Discharge Monitoring Reports for December 2002. No discharge took place from any of the outfalls.

6. DISPOSAL OF EXCESS WASTE/FILLS/BENCHES

Excess Spoil Area #2 remains active. Excess Spoil Area #2 is located inside the decommissioned slurry cells 1 & 2, adjacent to the clear water pond. The MSHA identification number for Excess Spoil Area #2 is 1211-UT-09-02093-05.

The MSHA identification number for Excess Spoil Area #1 is 1211-UT-02093-04. Excess Spoil Area #1 is currently not active.

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7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

Reviewed the 12/27/2002 inspection report for the refuse pile and MSHA impoundment. The inspection was done on 12/04/2002 and P.E. certified on 12/27/2002. No hazardous conditions were denoted in the report. The MSHA identification number for the refuse pile is 1211-UT-09-02093-01.

The East Slurry Cell is the only remaining impoundment on site under the jurisdiction of MSHA due to the size of the impoundment. The East Slurry Cell no longer receives slurry, since the closure of the Sunnyside Mine. The impoundment is currently being used as a sedimentation pond. The MSHA identification number for the East Slurry Cell is 1211-UT 02093-02.

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 Policy #TB2-691-518993-322. 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. The certificate holder is listed as the State of Utah, Division of Oil, Gas and Mining.

Inspector's Signature: _____ Date: February 21, 2003
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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