



The State of Utah
 Department of
 Natural Resources
 Division of
 Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

Representatives Present During the Inspection

Company	Rusty Netz	Environmental Coordinator
OGM	Karl Houskeeper	Reclamation Specialist III

Inspection Report

Permit Number:	C0070035
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, October 22, 2003
Start Date/Time:	10/22/2003 9:00:00 AM
End Date/Time:	10/22/2003 12:00:00 PM
Last Inspection:	Thursday, September 11, 2003

Inspector: Karl Houskeeper, Reclamation Specialist III

Weather: Clear, ~Temp. 65 deg. F

Accepted by: pgrubaug
 10/24/2003

Permittee: **SUNNYSIDE COGENERATION ASSOCIATES**
 Operator: **SUNNYSIDE COGENERATION ASSOCIATES**
 Site: **SUNNYSIDE REFUSE & SLURRY**
 Address: **PO BOX 159, SUNNYSIDE UT 84539**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

310.00	Total Permitted
202.00	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Divison Orders, and amendments:

Inspector's Signature: _____

Date Wednesday, October 22, 2003

Karl Houskeeper, Reclamation Specialist III

Inspector ID Number: 49

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

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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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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	Not Applicable	Comment	Enforcement
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 checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: 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 type="checkbox"/>	<input checked="" 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.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: 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	<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 and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The following permits were reviewed:

- Mining permit C/007/035 issued February 4, 2003 and expires February 4, 2008.
- UPDES permit #UT0024759 effective August 1, 2002 and expires midnight July 31, 2007.
- Air Quality Permit DAQO-702038-02 issued November 1, 2002, remains in effect.
- SPCC plan is only applicable to plant site which is not within the permit area.
- Certificate of Insurance effective 08/01/2003 and terminates 08/01/2004.
- Reclamation agreement is dated December 1996 and signed by both parties.

2. Signs and Markers

The mine ID sign is located adjacent to the tipple. The MSHA Refuse and Impoundment signs were also checked during the inspection. The topsoil pile north of the Borrow Area Sediment Pond is missing a topsoil pile sign. The operator will place another sign on the existing post.

3. Topsoil

Checked the topsoil piles. The access road topsoil pile still needs additional definition of the berm used to protect the topsoil pile. Efforts have been made since the last inspection to re-establish the berm, but the berm needs to be strengthened and isolated.

The borrow area topsoil pile needs a replacement sign installed. The previous sign was present during the last inspection, however the area was inspected and the sign was not found. The operator will acquire a new sign and install it on top of the topsoil pile.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The last quarterly inspection of the sediment ponds was done on 09/12/2003 and was compiled into a report dated 10/06/2003. The inspection and report are P.E. certified. Ponds 004, 007, 008, 009, 012, 014, and 016 are the ponds within the permit area that are listed in the inspection report. The quarterly inspections are current.

4.d Hydrologic Balance: Water Monitoring

The third quarter 2003 water monitoring is in the EDI website. The operator sent a letter to the Division on October 13, 2003 indicating that the information was correct and that it should be uploaded. The information at the time of the inspection had not been uploaded. A review of the records showed that the water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

The September 2003 discharge monitoring reports were reviewed. No discharge took place from 004, 007, 008, 009, 012, 014, or 016 during the month of September.

6. Disposal of Excess Spoil, Fills, Benches

Excess spoil area #1 remains inactive. Excess spoil area #2 is active. Excess Spoil Pile #1, and #2 were inspected on 09/12/2003 and are P.E. certified in a report dated 10/6/2003.

7. Coal Mine Waste, Refuse Piles, Impoundments

Reviewed the 10/6/2003 inspection report for the refuse pile and MSHA impoundment. The inspection was done on 09/12/2003 and was P.E. certified. 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 mandatory inspection frequency for this impoundment has been changed from every 7 days to every 30 days. A variance from the mandatory 7-day inspection frequently was granted by MSHA on September 12, 2001. The MSHA identification number for the East Slurry Cell is 1211-UT 02093-02. The East Slurry Cell was inspected on 09/12/2003, P.E. certified, and is part of the report dated 10/6/2003.

20. Air Quality Permit

DAQO-702038-02 issued November 1, 2002, remains in effect. Air Quality Permit DAQE-691-99 issued August 13, 1999 was replaced by DAQO-702038-02. The permit was modified to allow the usage of a diesel generator on the power plant site. The Air Quality Permit covers both the power plant and mine site. The power plant site is not regulated by DOGM.

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. The required bond amount is \$1,720,000.

Insurance for the site is under Federal Insurance Company, policy #3581-69-76. The policy was issued on August 1, 2003 and expires on August 1, 2004. 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.