

Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

January 24, 2008

Pam Grubaugh-Littig
Utah Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84116

RE: Fourth Quarter 2007 Inspection Report
Sunnyside Refuse Pile C/007/035

Jacoby
C/007/0035
OK

Dear Pam:

Please find enclosed a copy of the Fourth Quarter 2007 Inspection Report for Sunnyside Cogeneration Associates' impoundments, refuse pile and excess spoil areas.

Should you have any questions, please contact Rusty Netz or myself at (435)888-4476.

Thank You,

Michael J. Blakey
Agent For
Sunnyside Cogeneration Associates

c.c. Steve Gross
William Rossiter
Paul Shepard
Ramiro Garcia
Rusty Netz
Plant File

RECEIVED
JAN 30 2008
DIV. OF OIL, GAS & MINING

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

GENERAL INFORMATION

Clear Water Sediment Pond

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name Clear Water Sediment Pond
Impoundment Number 004
UPDES Permit Number UT024759
MSHA ID Number N/A

IMPOUNDMENT INSPECTION

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

POND HAS BEEN DECOMMISSIONED, REMOVED FROM UPDES PERMIT AND IS NOW BEING FILLED AS PART OF THE EXCESS SPOIL AREA #2

b. Principle and emergency spillway elevations.

N/A

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on out slopes of embankments, etc.

Pond had no water in it.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Clear Water Sediment Pond

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

POND HAS BEEN DECOMMISSIONED AND IS BEING FILLED AS PART OF THE EXCESS SPOIL AREA #2

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: _____

S. Carlson

Date: _____

1/08

CERTIFIED REPORT IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan? YES
2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

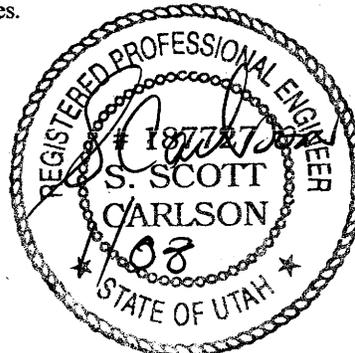
This pond has been approved to be filled as part of the Excess Spoil Disposal Area #2. SCA has re-routed all storm water drainage from this area to the newly enlarged Pasture Pond. The Clear Water Pond has been de-commissioned and is being filled in.

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date



IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

GENERAL INFORMATION

Railcut Sediment Pond

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name RailCut Sediment Pond
Impoundment Number 007
UPDES Permit Number UT024759
MSHA ID Number N/A

IMPOUNDMENT INSPECTION

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 4.8 Acre-feet
Pond bottom elevation = 6206.0
100% Sediment Storage Volume = 0.34 acre-feet at Elevation 6209
60% sediment Storage Volume = 0.2 acre feet at Elevation = 6207.7
Existing Sediment Elevation = 6206.5 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Pipe = 6209.07
Emergency Spillway Elevation = 6212.34

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on out slopes of embankments, etc.

Pond had no water in it. No samples were taken Pond did not require decanting
SCA cleaned Sediment from pond earlier in 2007
Embankment conditions were good. Vegetation on out slopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Rail Cut Sediment Pond

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed, other than sediment cleaning

No water was impounded

No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: S. Carlson

Date: 1/08

**CERTIFIED REPORT
IMPOUNDMENT EVALUATION**

If you answer NO to these questions, please explain under comments

- 1. Is impoundment designed and constructed in accordance with the approved plan? YES
- 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
- 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

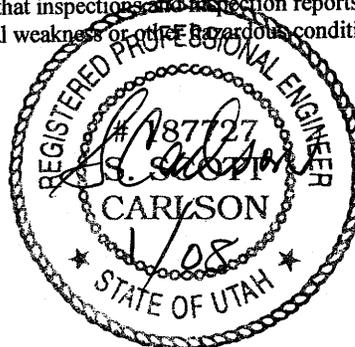
COMMENTS/ OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH



Affix Signature, Stamp and Date

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Old Coarse Refuse Road Sediment Pond

GENERAL INFORMATION

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name Old Coarse Refuse Road Sediment Pond
Impoundment Number 008
UPDES Permit Number UT024759
MSHA ID Number N/A

IMPOUNDMENT INSPECTION

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 0.9 Acre-feet
Pond bottom elevation = 6394.0
100% Sediment Storage Volume = 0.08 acre-feet at Elevation 6395.1
60% sediment Storage Volume = 0.05 acre feet at Elevation = 6394.75
Existing Sediment Elevation = 6394.0 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Pipe = 6395.75
Emergency Spillway Elevation = 6399.4

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had no water in it. No samples were taken Pond did not require decanting.
Sediment level was good.
Embankment conditions were good. Vegetation on outslopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Old Coarse Refuse Road Sediment Pond

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed

No water was impounded

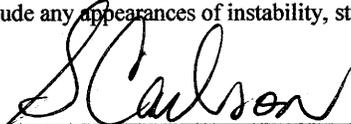
Sediment level was good.

No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature:



Date:

1/08

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan? YES
2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

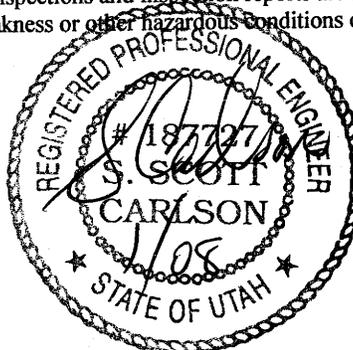
None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date



IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Pasture Sediment Pond

GENERAL INFORMATION

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name Pasture Sediment Pond
Impoundment Number 009
UPDES Permit Number UT024759
MSHA ID Number N/A

IMPOUNDMENT INSPECTION

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 3.2 Acre-feet
Pond bottom elevation = 6484.5
100% Sediment Storage Volume = 0.42 acre-feet at Elevation 6486.2
60% sediment Storage Volume = 0.25 acre feet at Elevation = 6485.5
Existing Sediment Elevation = 6484.5 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Pipe = 6486.6
Emergency Spillway Elevation = 6490.6

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on out slopes of embankments, etc.

Pond had some water in it. No samples were taken. Pond did not require decanting.
SCA cleaned Sediment and enlarged this pond earlier in 2007.
Embankment conditions were good. Vegetation on out slopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Pasture Sediment Pond

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

Recent changes in the geometry of the structure include completion of an enlargement of this pond earlier in the year.

A small amount of water was impounded

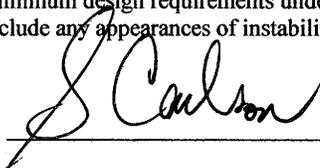
Sediment was recently cleaned.

No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that, I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: _____



Date: _____

1/08

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

- 1. Is impoundment designed and constructed in accordance with the approved plan? YES
- 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
- 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

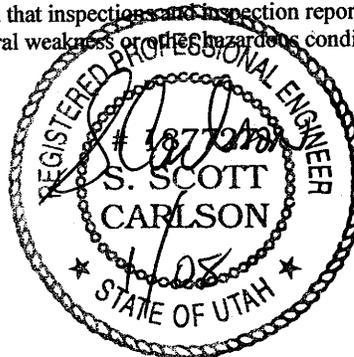
COMMENTS/ OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH



Affix Signature, Stamp and Date

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Coarse Refuse Toe Sediment Pond

GENERAL INFORMATION

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name New Coarse Refuse Toe Sediment Pond
Impoundment Number 012
UPDES Permit Number UT024759
MSHA ID Number N/A

IMPOUNDMENT INSPECTION

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 1.6 Acre-feet
Pond bottom elevation = 6176.0
100% Sediment Storage Volume = 0.07 acre-feet at Elevation 6177.8
60% sediment Storage Volume = 0.03 acre feet at Elevation = 6177.0
Existing Sediment Elevation = 6176 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Pipe = 6178.2
Emergency Spillway Elevation = 6183.63

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had no water in it. No samples were taken. Pond did not require decanting. SCA cleaned Sediment from pond earlier in 2007. Embankment conditions were good. Vegetation on outslopes was adequate. Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Coarse Refuse Toe Sediment Pond

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed

No water was impounded

Sediment was recently cleaned.

No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: S. Carlson

Date: 1/08

**CERTIFIED REPORT
IMPOUNDMENT EVALUATION**

If you answer NO to these questions, please explain under comments

- 1. Is impoundment designed and constructed in accordance with the approved plan? YES
- 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
- 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH



Affix Signature, Stamp and Date

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

GENERAL INFORMATION

Coal Pile Sediment Pond

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name Coal Pile Sediment Pond
Impoundment Number 014
UPDES Permit Number UT024759
MSHA ID Number N/A

IMPOUNDMENT INSPECTION

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 1.5 Acre-feet
Pond bottom elevation = 6473.0
100% Sediment Storage Volume = 0.5 acre-feet at Elevation 6476.0
60% sediment Storage Volume = 0.3 acre feet at Elevation = 6474.7
Existing Sediment Elevation = 6473.0 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Pipe = 6476.0
Secondary Dewatering Orifice = 6477.2
Primary Spillway Elevation = 6477.9
Emergency Spillway Elevation = 6479.0

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water in it. No samples were taken. Pond did not require decanting.
Sediment level was good.
Embankment conditions were good. Vegetation on outslopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Coal Pile Sediment Pond

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed

A small amount of water was impounded

Sediment level was good.

No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: S. Carlson

Date: 1/08

**CERTIFIED REPORT
IMPOUNDMENT EVALUATION**

If you answer NO to these questions, please explain under comments

- 1. Is impoundment designed and constructed in accordance with the approved plan? YES
- 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
- 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

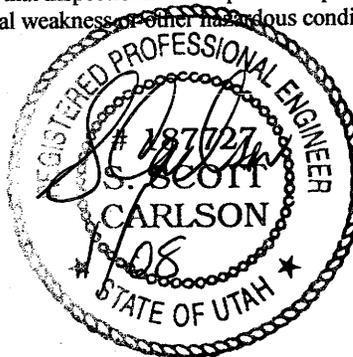
COMMENTS/ OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH



Affix Signature, Stamp and Date

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Borrow Area Sediment Pond

GENERAL INFORMATION

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name Borrow Area Sediment Pond
Impoundment Number 016
UPDES Permit Number UT024759
MSHA ID Number N/A

IMPOUNDMENT INSPECTION

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 8.3 Acre-feet
Pond bottom elevation = 6510.0
100% Sediment Storage Volume = 2.3 acre-feet at Elevation 6514.3
60% sediment Storage Volume = 1.4 acre feet at Elevation = 6513.3
Existing Sediment Elevation = 6510 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Pipe = 6514.3
Emergency Spillway Elevation = 6517.03

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on out slopes of embankments, etc.

Pond had no water in it. No samples were taken
Sediment level was good. Pond did not require decanting.
Embankment conditions were good. Vegetation on out slopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

Borrow Area Sediment Pond

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed

No water was impounded

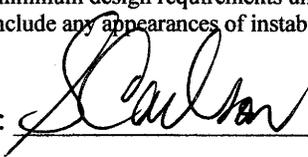
Sediment level was good.

No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: _____



Date: _____

1/08

CERTIFIED REPORT IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

- | | |
|--|------------|
| 1. Is impoundment designed and constructed in accordance with the approved plan? | <u>YES</u> |
| 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? | <u>YES</u> |
| 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? | <u>YES</u> |

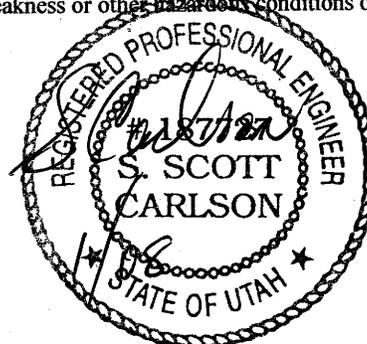
COMMENTS/ OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH



Affix Signature, Stamp and Date

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

East Slurry Cell

GENERAL INFORMATION

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

IMPOUNDMENT IDENTIFICATION

Impoundment Name East Slurry Cell
Impoundment Number N/A
UPDES Permit Number N/A
MSHA ID Number 1211-UT-09-02093-02

IMPOUNDMENT INSPECTION

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

POND HAS BEEN DECOMMISSIONED AS A SEDIMENT POND AND HAS BEEN INCORPORATED AS PART OF THE COARSE REFUSE PILE.

b. Principle and emergency spillway elevations.

NA

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on out slopes of embankments, etc.



IMPOUNDMENT INSPECTION AND CERTIFIED REPORT

East Slurry Cell

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

Periodic excavation of stored coal fines is occurring.
No water was impounded

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: _____

S. Carlson

Date: _____

1/08

CERTIFIED REPORT IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan? YES
2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

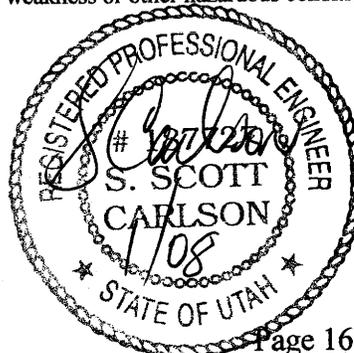
The East Slurry Cell is not receiving slurry from any source. Stored slurry / coal fines are being excavated for use in the adjacent power plant. This pond has been decommissioned and is now incorporated as part of the coarse refuse pile. Inspections of this area will now be covered with the Coarse Refuse Pile. We will no longer issue separate inspection reports for the East Slurry Cell as an impoundment.

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date



**INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE**

GENERAL INFORMATION

Coarse Refuse Pile

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name Coarse Refuse Pile
Pile Number N/A
MSHA ID Number 1211-UT-09-02093-01

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

Attachment to Report? (such as refuse sample analysis or photos) **YES**

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

N/A

2. Placement of underdrains and protective filter systems.

N/A

3. Installation of final surface drainage systems

N/A

4. Placement and compaction of fill materials

N/A - Activities occurring at this time are associated with removal of refuse material

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions

No aspects of the Fill structure were observed that could affect its stability or functionality

**INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE**

Coarse Refuse Pile

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

Refuse material is actively being excavated and removed from various locations across the top of the pile

The East Slurry Cell has been decommissioned and the coal refuse material stored therein has been incorporated as part of the Coarse Refuse Pile.

QUALIFICATION STATEMENT:

I hereby certify that, I am experienced in the construction of earth and rock fills; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: _____

S. Carlson

Date: _____

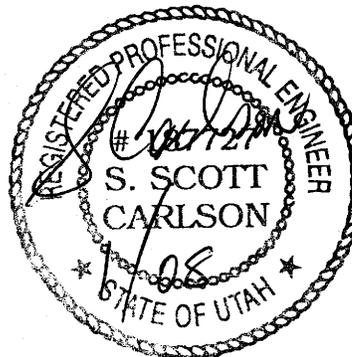
1/08

CERTIFICATION STATEMENT

I hereby certify that: I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meets or exceeds the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date



**INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE**

GENERAL INFORMATION

Excess Spoil Disposal Area #1

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name Excess Spoil Disposal Area #1
Pile Number N/A
MSHA ID Number 1211-UT-09-02093-04

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

Attachment to Report? (such as refuse sample analysis or photos) **NO**

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

N/A

2. Placement of underdrains and protective filter systems.

N/A

3. Installation of final surface drainage systems

N/A

4. Placement and compaction of fill materials

No new material was placed during the quarter.

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions

No aspects of the Fill structure were observed that could affect its stability or functionality

**INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE**

Excess Spoil Disposal Area #1

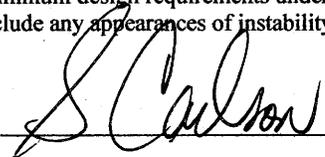
7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

Construction of the fill has been proceeding in shallow lifts in general conformance with the approved plan.

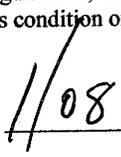
QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: _____



Date: _____



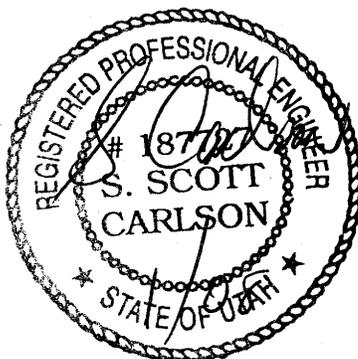
CERTIFICATION STATEMENT

I hereby certify that: I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meets or exceeds the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE, Twin Peaks, P.C.

P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date



**INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE**

GENERAL INFORMATION

Excess Spoil Disposal Area #2

Report Date January 18, 2008
Permit Number C/007/035
Mine Name Sunnyside Refuse and Slurry
Company Name Sunnyside Cogeneration Associates

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name Excess Spoil Disposal Area #2
Pile Number N/A
MSHA ID Number 1211-UT-09-02093-05

Inspection Date October 26, 2007
Inspected by Scott Carlson
Reason for Inspection Fourth Quarter Inspection 2007

Attachment to Report? (such as refuse sample analysis or photos) **Yes**

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

Existing disturbed site. No additional topsoil removal is required by the approved plan

2. Placement of underdrains and protective filter systems.

No under-drains or filters area required by the approved plan

3. Installation of final surface drainage systems

N/A

4. Placement and compaction of fill materials

Approximately 10,537 tons of material were placed in this disposal area during the quarter.

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions

No aspects of the Fill structure were observed that could affect its stability or functionality

**INSPECTION AND CERTIFIED REPORT
ON EXCESS SPOIL PILE OR REFUSE PILE**

Excess Spoil Disposal Area #2

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

Both Slurry Ponds 1 & 2 have now been filled. The Clear Water Pond has been included within this Disposal Area. SCA has completed an enlargement of the Pasture Pond and has decommissioned the Clear Water Pond and incorporated the area within this Disposal Area. They can also continue filling the disposal area to the height approved.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: _____

S. Carlson

Date: _____

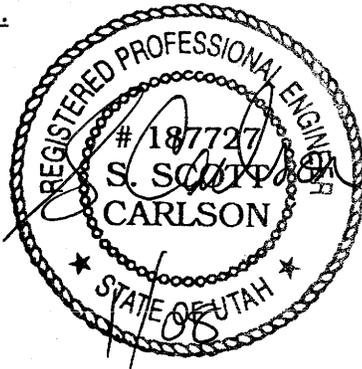
1/08

CERTIFICATION STATEMENT

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By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date



U.S. Department of Labor

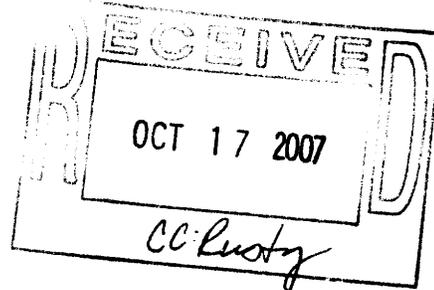
Mine Safety and Health Administration
P.O. Box 25367
Denver, Colorado 80225-0367



OCT 11 2007

Coal Mine Safety and Health
District 9

Michael J. Blakey
Plant Manager
Sunnyside Cogeneration Associates
One Power Plant Road
Sunnyside, UT 84539



RE: Sunnyside Waste Coal Site
Mine ID No. 42-02093
East Slurry Cell
ID #1211-UT-09-02093-02
Final Impoundment Abandonment

Dear Mr. Blakey:

MSHA personnel have inspected the referenced impoundment and concur, as stated in your submittal, dated June 15, 2007, that the referenced site was abandoned in a manner to preclude the probability of future impoundment of water, sediment, or slurry. The above referenced impoundment is approved for final abandonment.

The referenced impoundment identification number will be removed from the mine file. MSHA inspection and reporting requirements no longer apply to the referenced structure.

If you have any questions regarding this approval, please contact Billy Owens at 303-231-5590 or Ronald Gehrke at 303-231-5587.

Sincerely,

A handwritten signature in cursive script, reading "Allyn C. Davis", is written below the word "Sincerely,".

Allyn C. Davis
District Manager



Coarse Refuse Pile (looking southeasterly)

October 2007



Coarse Refuse Pile (looking northwesterly)

October 2007



Coarse Refuse Pile (looking northerly)

October 2007



Excess Spoil Disposal Area #2 (beyond the grey pile) (looking northerly) October 2007