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State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:		
Company	Rusty Netz	Environmental Coordinator
OGM	Karl Houskeeper	Environmental Scientist III

Inspection Report

Permit Number:	C0070035
Inspection Type:	COMPLETE
Inspection Date:	Thursday, June 12, 2008
Start Date/Time:	6/12/2008 12:00:00 PM
End Date/Time:	6/12/2008 4:00:00 PM
Last Inspection:	Thursday, May 22, 2008

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 65 Deg. F.

InspectionID Report Number: 1675

Accepted by: jhelfric
7/7/2008

Permitee: **SUNNYSIDE COGENERATION ASSOCIATES**
Operator: **SUNNYSIDE COGENERATION ASSOCIATES**
Site: **SUNNYSIDE REFUSE & SLURRY**
Address: **ONE POWER PLANT RD, 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, Division Orders, and amendments:

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

Task #2953 is under review by the Division. The task is to allow a culvert to be reloacated.

Inspector's Signature: Karl R. Houskeeper **Date** Thursday, June 12, 2008

Karl Houskeeper, Environmental Scientist 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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Inspection Continuation Sheet

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 performace standard listed below.*
4. *Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.*

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	☑	☐	☑	☐
2. Signs and Markers	☑	☐	☑	☐
3. Topsoil	☑	☐	☐	☐
4.a Hydrologic Balance: Diversions	☑	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5. Explosives	☐	☑	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☑	☐	☑	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☑	☐	☑	☐
8. Noncoal Waste	☑	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☐	☐
10. Slides and Other Damage	☑	☐	☐	☐
11. Contemporaneous Reclamation	☑	☐	☐	☐
12. Backfilling And Grading	☑	☐	☐	☐
13. Revegetation	☑	☐	☐	☐
14. Subsidence Control	☑	☐	☐	☐
15. Cessation of Operations	☑	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☐	☐
16.b Roads: Drainage Controls	☑	☐	☐	☐
17. Other Transportation Facilities	☑	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☐	☐
19. AVS Check	☑	☐	☐	☐
20. Air Quality Permit	☑	☐	☑	☐
21. Bonding and Insurance	☑	☐	☑	☐
22. Other	☑	☐	☐	☐

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, 2007and expires midnight July 31, 2012.
-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 08/01/2007 and terminates 08/01/2008.
-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 on a light pole. The MSHA Refuse Pile sign was also checked during the inspection and contained the required information.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds were inspected on March 25, 2007. The report (April 9, 2008) is P.E. dated stamped and signed by a registered P.E. in the State of Utah.

4.d Hydrologic Balance: Water Monitoring

Third and fourth quarter 2007 and first quarter 2008 water monitoring information is in the EDI website, but have not been uploaded. Water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

The February, March and April 2008 discharge monitoring reports were reviewed. No discharges occurred.

6. Disposal of Excess Spoil, Fills, Benches

Excess spoil #1 & #2 were inspected on March 25, 2007. The inspections were certified by a P.E.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile was inspected on March 25, 2007 and certified by a registered P.E. in the State of Utah. The pile appeared stable with no visible hazards.

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. The escrow agency is Wells Fargo for SCA. SCA has invested $1,780,250.19 in federally guaranteed Treasury Notes as of December 31, 2006. The required bond amount is $1,720,000.