TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

September 18, 2007

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: David Darby, Environmental Scientist III/Hydrologist/Lead

RE: Waste Coal Mine Permit Renewal, Sunnyside Cogeneration Associates, Sunnyside Refuse and Slurry, C/007/0035, Task ID #2842, Internal File.

SUMMARY:

On August 21, 2007, Sunnyside Cogeneration Associates (SCA) applied to renew their mine permit, pursuant to the State Program. Issuance of the Waste Coal mining permit on February 4, 2003, carried with it the right of successive renewal, R645-303-230, within the approved boundaries of the existing permit, upon expiration of the term of the permit. SCA has successfully met the requirements for permit renewal for another 5-year permit term, February 4, 2008 through February 4, 2013.

TECHNICAL ANALYSIS:

230 Permit Renewal

232. Application Requirements and Procedures

232.100.1 An application for renewal of a permit will be filed with the Division at least 120 days before expiration of the existing permit term.

SCA filed the application 168 days before expiration of the existing permit term.

232.200 An application for renewal of a permit will be in the form required by the Division and include at a minimum:

The format of the application is in a form to insert into the approved Mining and Reclamation Plan.

232.220 Evidence that a liability insurance policy or adequate self-insurance under R645-301-800 will be provided by the applicant for the proposed period of renewal.

SCA provided a copy of the Certificate of Liability Insurance dated August 20, 2007. The liability period runs from August 1, 2007 to August 1, 2008. The insurance exceeds the minimum amounts required by R645-301-890. It covers general, auto excess/compensation and employers liability and pollution. The certificate has been signed and identifies the Division of Oil Gas and Mining as a certificate holder of the insurance policy. The Division will receive written notice from the insurance company, at least 45 days, prior to cancellation or change in the policy. The certificate does not contain a blasting clause. Mr. Rusty Netz stated (phone communication on 09/19/07) that no surface blasting occurs, or is intended.

232.230 Evidence that the performance bond in effect for the operation will continue in full force and effect for any renewal requested, as well as any additional bond required by the Division pursuant to R6450-303-800.

Wells Fargo is the escrow agent for SCA's collateral bond. The bond amount was increased to $ 1,775,000.00 on December 13, 2005, affective in year 2009 dollars.

232.250 A copy of the newspaper notice and proof of publication of same, as required by R645-300-121.100

The Permittee supplied a draft of the public notice. Mr. Netz stated an affidavit for the public notice will be provided, to the Division, after the notice runs in the newspapers for the required time period.

232.250 Additional, revised or updated information required by the Division.

There is no additional, revised or updated information required by the Division for permit renewal. All previous revisions to the Mining and Reclamation Plan have been incorporated.

232.300 Applications for renewal will be subject to the requirements of public notification and public participation contained in R645-300-120 and R645-300.152.

The Public Notice identifies a 30-day comment after the last publication date of the notice. Written comments, objections or requests regarding the application are to be sent to the Utah Division of Oil Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114.

232.400 If an application for renewal includes any proposed revisions to the permit, such revisions will be identified and subject to the requirements of R645-303-220.

There were no additional revisions during this renewal. All mine plan changes for the permit term have been incorporated into the MRP.

232.500 Irrespective of any other R645 rules requirements for permitting coal mining and reclamation operations, a Permittee may renew a permit for the purpose of reclamation only if solely reclamation activities remain to be done and no coal will be extracted, processed, or handled. Obligations established under a permit will continue regardless of whether the authorization to extract, process, or handle coal has expired, or has been terminated, revoked or suspended.

Operational activities are planned for the next 5-year permit renewal period.

Findings:

The information provided in SCA's Application for Permit Renewal meets the requirements of the regulations. All terms and conditions of the permit are being met.

RECOMMENDATIONS:

The submittal is recommended for publication and submittal of final copies.

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