

OGMCOAL - RE: Task ID# 3668 Sunnyside Phase 3 Bond Release

From: "S Scott Carlson" <scarlson@twinpeakseng.com>
To: "Steve Christensen" <stevechristensen@utah.gov>
Date: 11/12/2010 3:11 PM
Subject: RE: Task ID# 3668 Sunnyside Phase 3 Bond Release
CC: "Rusty Netz" <rusnetz@hotmail.com>, "Daron Haddock" <daronhaddock@ut...>
Attachments: Ph3 Public Notice Nov 10 2010.doc; SCA Notarized statement.doc

Steve,

Thanks for your quick look at the docs and for discussing your concerns with me. I have prepared this summary to keep us straight on the tasks discussed in our phone call on Wednesday afternoon.

Public Notice 880.120

- Type of Bond – SCA has posted a cash bond. We have revised the Public notice doc to reflect this.
- Amount of Bond – SCA currently has a bond in the amount of \$1,775,000. The mid-term review submittal included an update to the current 2010 rates and 5 years escalation at 0.5%. The new bond calculation is for \$1,601,000. Steve C is checking to see if the public notice doc should reflect the 1.775 or 1.601.
- Description of Results – We have revised the public notice doc to provide additional description related to the PMLU. (see attached)

Notarized Statement 880.130

- While the required statement was included in the cover letter and the C1/C2 document was notarized, Division has requested a separate page document with the statement and notary. We have prepared a draft of that document for your concurrence. (see attached).

Timing

- Public notice – 880.120 is specific that the advertisement is published “at least once a week for four successive weeks”.
- Inspection – 880.210 the Division is to conduct an inspection “within 30 days, or as soon thereafter as weather conditions permit”. Given the season, the Division is concerned about the ability to confirm adequate vegetation success at this time.
- Decision – 880.220 the Division is concerned with the requirement to notify in writing “its decision to release or not to release all or part of the performance bond” “within 60 days from the filing of the bond release application”.

SCA is sensitive to the timing requirements and desires that the bond release process move forward with reasonable diligence. If there are seasonal challenges that do not allow for approval of a given portion of the bond release review, SCA would like all other portions of the review to be completed and any remaining items to be specified and proceed as soon as weather conditions permit. SCA is confident that the reclamation is successful and, given an opportunity to observe the vegetation during the growing period, would expect the Division to find that the vegetation success is as documented in the studies submitted with the application. Please let us know if it will be possible for the Division to adequately complete its review by using the vegetation reports and a current site inspection or if it will be necessary to wait on this portion of the review.

S Scott Carlson, PE, PLS

Twin Peaks PC

2264 North 1450 East

Lehi UT 84043

(801) 450-3511

From: Steve Christensen [mailto:stevechristensen@utah.gov]
Sent: Tuesday, November 09, 2010 4:41 PM
To: S Scott Carlson
Cc: 'Rusty Netz'; Daron Haddock; OGMCOAL@utah.gov
Subject: Task ID# 3668 Sunnyside Phase 3 Bond Release

Scott,

I apologize for not getting back to you sooner. My day was hijacked by unexpected meetings/conference calls.

At any rate, I did look over the public notice and I have a couple of comments. R645-301-880.120 is the regulation that lists all of the information that needs to go into the public notice. After reviewing the public notice in the application, there are a couple items that need to be included.

The type of bond needs to be in the public notice (i.e. surety, cash, collateral etc.). In addition, the exact amount of bond filed with the Division should be included. The last item that should be expanded on in the public notice is the "*description of the results achieved as they relate to the operator's approved reclamation plan*". Admittedly, I scratched my head on this one a bit, but after some clarification from management, what's needed is a brief discussion as to whether the reclamation work performed (i.e. the "*grading, soil cover placement and revegetation*") has achieved the approved post-mining land-use identified in the MRP. I don't know what the approved post-mining land-use is for that area off the top of my head, but a brief discussion along those lines should be included per R645-301-880.120.

Off the subject of the public notice, the application itself did not have a notarized statement which certifies that all applicable reclamation activities have been done according to the reg.'s and the plan (See R645-301-880.130).

As a result, the application is not complete as submitted. I've placed a call to Rusty Netz to discuss the timing issues associated with the bond release process. Essentially the issue is that the public comment period takes 60 days to complete (30 days of publishing the notice in the Sun Advocate and then 30 days after that for public comment). The rub is that regulation R645-301-880.220 says that the Division will make an up or down decision on releasing bond money within 60 days of receipt of the application. That said, the public notice needs to be done prior to submitting the bond release application to the Division in order to avoid timing issues.

I'll be discussing this with Rusty in coming days and we'll figure something out. However, at this point, you could make the revisions to the public notice and e-mail them to me. We can work that out via e-mail and get

that squared away.

Give me a call if you have any questions.

Thanks,
Steve

Steve Christensen
Environmental Scientist III
Utah Division of Oil, Gas and Mining
(801) 538-5350

Public Notice

Notice is hereby given as required by the Utah Coal Mining Rules, R645-301-800 that Sunnyside Cogeneration Associates (SCA), P.O. Box 159, Sunnyside UT 84539, has filed an application requesting Phase 3 Bond Release for a reclaimed portion of its land. Approval of this application will allow SCA to reduce its bond for approximately 5.35 acres that were reclaimed in 1994 under the provisions of the Utah Coal Mining and Reclamation Act and the Utah R645 Coal Mining Rules. (Permit # C\007\035 Sunnyside Refuse & Slurry) SCA has a **cash** bond for reclamation on file in the amount of **\$1.775 Million** and is requesting the release of **\$40,000**. The reclamation work (including grading, soil cover placement and revegetation) **meets all performance standards for soil cover, vegetation success and sediment control as required by the approved plan to achieve the post mining land use for wildlife and grazing.**

The existing permit area is comprised of approximately 323.95 acres located just south of Sunnyside City, Utah, within lands described as:

S ½ and SE ¼ of NE ¼ Section 6, T 15 S, R 14 E, SLB&M
N ½ Section 7, T 15 S, R 14 E, SLB&M

The reclaimed area is located within lands described as:

S ½ of N ½ of N ½ Section 7, T 15 S, R 14 E, SLB&M

Copies of the bond release application **provide detailed documentation of the success of the reclamation work** and will be available for inspection at the:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

Written comments, objections or requests for an informal conference regarding this application must be submitted with 30 days of the last publication date of this notice, to the Utah Division of Oil, Gas and Mining, Attention Coal Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801

Published in the Sun Advocate: Dates:

