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**U. S. DEPT. OF THE INTERIOR  
OFFICE OF SURFACE MINING  
Mine Site Evaluation  
State Program**

DIV. OF OIL, GAS & MINING



1. Person/Permittee <b>SUNNYSIDE COGENERATION ASSOCIATES</b>		9. Permit Number <b>UT-007-035</b>	10. Permit Type <b>PP</b>
2. Address <b>P.O. BOX 159</b>		11. Field Visit Date <b>04/26/2011</b> mm - dd - yyyy	12. Purpose <b>OB3</b>
3. City <b>SUNNYSIDE</b>	4. State <b>UT</b>	14. Permit Status <b>A</b>	15. Site Status <b>AN</b>
5. Zip Code <b>84539</b>	6. Phone Number <b>(435) 888 - 4476</b>	17. OSM Office # <b>140</b>	18. CCID # <b>[ ]</b>
7. Operator Name (if different than Permittee) <b>[ ]</b>		20. M.S.H.A. ID # <b>42-01813</b>	21. State Code <b>UT</b>
8. Mine Name <b>SUNNYSIDE REFUSE/SLURRY</b>		23. AVS Permittee Entity ID Number <b>128991</b>	13. SRA Present <b>Y</b>
			16. Facility Type <b>ACDE</b>
			19. Land Code <b>S</b>
			22. County Name <b>CARBON</b>
			24. State Office <b>[ ]</b>

25. Hours	26. Signature Block	27. Reviewing Official:
<b>4.00</b> a. Permit Review	<i>[Signature]</i> Signature	<i>[Signature]</i> Signature
<b>3.00</b> b. Site Visit Time	<b>Elizabeth Shaeffer ID # 377</b>	<i>[Signature]</i> Signature
<b>15.00</b> c. Travel Time	Printed Name	Review Date: <b>5/23/11</b> mm - dd - yyyy
<b>3.00</b> d. Report Writing	Date: <b>05/23/2011</b>	Is Supplemental MSE Page Used Y?N <b>Y</b>

Permit Type - Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit

Purpose Type Codes - Item 12  
Oxx... Oversight RFX... Reclamation Fees CCR... Citizen Compliant Referral (non site)  
Axx... Assistance Fxx... Federal Actions CC... Citizen Complaint (initial site visit)  
CCF... Citizen Complaint Follow-up

Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

Permit Status - Item 14  
A.... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.  
IN... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated  
BR.. Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)  
AB.... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)  
AB1.. Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.  
AB2.. Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.  
AB3.. Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.  
NA.... Not Applicable: When site is unpermitted.

Site Status Codes - Item 15  
ND.. No Disturbance: No coal mining and reclamation operations have been started.  
EX.. Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.  
AP.. Active Coal Producing: Coal surface mining activities are occurring  
AN.. Active Non-Producing: Active non-producing facility such as tipple or preparation plant.  
NM.. No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.  
MC.. Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.  
TC.. Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).  
P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.  
P2... Phase II Release: At least Phase II bond release for the entire permitted area.  
P3... Phase III Release: Reclamation completed and the RA has released all bond.  
NS.. Non-Site Visit: Status of site not determined.  
FP.. Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.  
FR.. Forfeited and Reclaimed: Forfeiture reclamation completed.  
FO.. Abandoned Site: Abandoned site that is permitted but there is no bond.  
WC. Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes - Item 16  
A... Surface D... Ancillary (Haulroad, Conveyor, and/or Rails) H... Exploration Permits L... Remaining site permitted under 30CFR785.25  
B... Underground E... Refuse and/or Impoundment I... Notice of Intent to Explore  
C... Preparation Plant F... Loading Facility and/or Tipple J... Exempt 16 and 2/3  
G... Stockpiles K... Government Financed Construction Exemption

**Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments Are Important**

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

# U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

## Mine Site Evaluation

 Permittee/ Person **SUNNYSIDE COGENERATION ASSOCIATES**

 Permit Number **UT-007-035**

 Field Visit Date **04/26/2011**

 State Program  
Continuation Page

### 28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

- |  |  |   |
|--|--|---|
| <b>A. Administrative</b><br>1. ___ Mining within Valid Permit<br>2. ___ Mining within Bonded Area<br>3. ___ Terms & Conditions of Permit<br>4. ___ Liability Insurance<br>5. ___ Ownership and Control<br>6. ___ Temporary Cessation<br>7. ___ AML Rec. Fees -- Non-Respondent<br>8. ___ AML Rec. Fees -- Failure to Pay   | <b>D. Backfilling &amp; Grading</b><br>1. ___ Exposed Openings<br>2. <u>1</u> Contemporaneous Reclamation<br>3. <u>1</u> Approximate Original Contour<br>4. ___ Highwall Elimination<br>5. <u>1</u> Steep Slopes (includes downslope)<br>6. <u>1</u> Handling of Acid & Toxic Materials<br>7. <u>1</u> Stabilization (rills and gullies) | <b>H. ___ Subsidence Control Plan</b><br><b>I. Roads</b><br>1. ___ Road Construction<br>2. ___ Certification<br>3. <u>1</u> Drainage<br>4. <u>1</u> Surfacing and Maintenance<br>5. <u>1</u> Reclamation<br><b>J. Signs &amp; Markers</b><br>1. ___ Signs<br>2. ___ Markers<br><b>K. ___ Distance Prohibitions</b><br><b>L. Revegetation</b><br>1. <u>1</u> Vegetative Cover<br>2. <u>1</u> Timing<br><b>M. <u>1</u> Postmining Land Use</b><br><b>N. Other</b> |
| <b>B. Hydrologic Balance</b><br>1. <u>1</u> Drainage Control<br>2. ___ Inspections & Certifications<br>3. <u>1</u> Siltation Structures<br>4. ___ Discharge Structures<br>5. ___ Diversions<br>6. ___ Effluent Limits<br>7. ___ Ground Water Monitoring<br>8. ___ Surface Water Monitoring<br>9. ___ Drainage -- Acid-Toxic Materials<br>10. ___ Impoundments<br>11. ___ Stream Buffer Zones | <b>E. Excess Spoil Disposal</b><br>1. ___ Placement<br>2. ___ Drainage Control<br>3. ___ Surface Stabilization<br>4. ___ Inspections & Certifications  | General<br>Category<br>Performance<br>___ ___ 1) _____<br>___ ___ 2) _____<br>___ ___ 3) _____  |
| <b>C. Topsoil &amp; Subsoil</b><br>1. <u>1</u> Removal<br>2. <u>1</u> Substitute Materials<br>3. ___ Storage and Protection<br>4. <u>1</u> Redistribution  | <b>F. Coal Mine Waste (Refuse Piles/Impoundments)</b><br>1. ___ Drainage Control<br>2. ___ Surface Stabilization<br>3. ___ Placement<br>4. ___ Inspections and Certifications<br>5. ___ Impounding Structures  |   |
|  | <b>G. Use Of Explosives</b><br>1. ___ Blaster Certification<br>2. ___ Distance Prohibitions<br>3. ___ Blast Survey/Schedule<br>4. ___ Warnings & Records<br>5. ___ Control of Adverse Effects  |   |

### Performance Standard Categories 30 CFR Counterparts

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|---|--|
| <b>A. Administrative</b><br>1. Valid Permit ..... 773.11<br>2. Mining within Bonded Area ..... 773.11<br>3. Terms & Conditions of Permit ..... 773.17<br>4. Liability Insurance ..... 800.60<br>5. Ownership and Control ..... 778.13<br>6. Temporary Cessation ..... §42.11(e) & §16.817.131<br>7. AML Rec. Fees -- Non-Respondent ..... 870.15(b)<br>8. AML Rec. Fees -- Failure to Pay ..... 870.15(a)   | <b>E. Excess Spoil Disposal</b> ..... (§16/§17.71-74)<br>1. Placement ..... 71(e)<br>2. Drainage Control ..... 71(f)<br>3. Surface Stabilization ..... 71(g)<br>4. Inspections & Certifications ..... 71(h)  |
| <b>B. Hydrologic Balance</b> ..... (§16/§17.41-57)<br>1. Drainage Control ..... 45<br>2. Inspections & Certifications ..... 49(a)(10)<br>3. Siltation Structures ..... 46<br>4. Discharge Structures ..... 47<br>5. Diversions ..... 43<br>6. Effluent Limits ..... 42<br>7. Ground Water Monitoring ..... 41(c)<br>8. Surface Water Monitoring ..... 41(e)<br>9. Drainage--Acid - Toxic Materials ..... 41(f)<br>10. Impoundments ..... 49<br>11. Stream Buffer Zones ..... 57 | <b>F. Coal Mine Waste (Refuse Piles/Impoundments)</b> ..... §16/§17.81-84<br>1. Drainage Control ..... 83(a)<br>2. Surface Stabilization ..... 83(b)<br>3. Placement ..... 83(c)<br>4. Inspections and Certifications ..... 83(d)<br>5. Impounding Structures ..... 84                       |
| <b>C. Topsoil &amp; Subsoil</b> ..... (§16/§17.22)<br>1. Removal ..... 22(a)<br>2. Substitute Materials ..... 22(c)<br>3. Storage and Protection ..... 22(c)<br>4. Redistribution ..... 22(d)   | <b>G. Use of Explosives</b> ..... (§16/§17.61-68)<br>1. Blaster Certification ..... 61(c)<br>2. Distance Prohibitions ..... 61(d)<br>3. Blast Survey/Schedule ..... 62-64<br>4. Warnings & Records ..... 66 & 68<br>5. Control of Adverse Effects ..... 67                                   |
| <b>D. Backfilling &amp; Grading</b> ..... §16/§17.95-107<br>1. Exposed Openings ..... §16.817.13, 14, 15, & §23.11 & 21<br>2. Contemporaneous Reclamation ..... 100<br>3. Approximate Original Contour ..... 102(a)(1)<br>4. Highwall Elimination ..... 102(a)(2)<br>5. Steep Slopes (includes downslope) ..... 107<br>6. Handling of Acid & Toxic Materials ..... 102(c)<br>7. Stabilization (rills and gullies) ..... 95(b)   | <b>H. Subsidence Control Plan</b> ..... (§17.121-122)<br><b>I. Roads</b> ..... (§16/§17.150-151)<br>1. Road Construction ..... 150(c)<br>2. Certification ..... 151(a)<br>3. Drainage ..... 150(b)-151(d)<br>4. Surfacing and Maintenance ..... 150(e)-151(d)<br>5. Reclamation ..... 150(f) |
|   | <b>J. Signs &amp; Markers</b> ..... §16/§17.11)<br>1. Signs ..... 11(a),(b), & (c)<br>2. Markers ..... 11(a),(b),(d),(e), & (f)  |
|   | <b>K. Distance Prohibitions</b> ..... (761.11)<br><b>L. Revegetation</b> ..... (§16/§17.111-116)<br>1. Vegetative Cover ..... 111 & 116<br>2. Timing ..... 113   |
|   | <b>M. Postmining Land Use</b> ..... (§16/§17.133)  |

Sunnyside Refuse and Slurry, Sunnyside Cogeneration Associates (SCA)  
Utah Division of Oil, Gas, and Mining (DOGGM) Permit No. UT-007-035  
Phase II and III Bond Release Inspection

April 26, 2011

Participants: Daron Haddock, DOGM  
Priscilla Burton, DOGM  
James Owen, DOGM  
Pete Hess, DOGM  
Karl Houskeeper, DOGM  
Joe Helfrich, DOGM  
Scott Carlson, SCA  
Rusty Netz, SCA  
Elizabeth Shaeffer, Office of Surface Mining

Weather Conditions: mild and windy, 40 degrees F

By letter dated May 17, 2010, Sunnyside Cogeneration Associates, permittee for the Sunnyside Refuse and Slurry, applied for Phase II and III bond release for the Old Coarse Refuse Road (OCRR). DOGM determined the bond release application administratively complete by letter date January 18, 2011. The refuse and slurry site is located approximately 25 miles east of Price, UT, adjacent to the Book Cliffs Coal Field. This cogeneration facility utilizes excavated slurry fines and coarse refuse from the old Sunnyside Mine by blending and burning this material in the cogeneration power plant. Mining ceased at the Sunnyside mine in 1994. The cogeneration facility started in 1993 and is expected to continue operating through 2013.

The current total bond amount held by DOGM is approximately \$1, 609,000.00 of which \$40,000.00 is being requested for release. This bond release inspection focuses on 5.35 reclaimed acres located on the south facing slope of the ridge which borders the south side of excess spoil disposal area No. 1. This road was constructed by the prior permittee, Sunnyside Coal Company, and was used for hauling refuse material to stabilize the lower bank of the refuse pile. In 1994, use of this road segment was ceased and the site was reclaimed that fall. The ownership of the land and minerals includes Federal and private entities.

**Inspection:**

The group began the inspection at the mine office. Mr. Carlson briefed us on the reclamation efforts regarding this 5.35-acre area and answered questions. We then drove to the OCRR and began walking the length of the reclaimed road. All bridges and culverts were removed from the road. The slopes were regraded to blend with the natural drainage pattern of the surrounding area (see Photos 1 and 2). The road was backfilled using material that had previously been

pushed over the edge of the road. It was placed on the inside cut of the road in one-foot lifts. This material was shown to be acid-forming and the mining company was therefore required to cover this material with four feet of non-hazardous borrow material. Later, another foot of soil was placed on the outslopes of the road for additional cover. The road slope appeared stable.

The vegetation along the reclaimed road was well established (see Photo 3). The land surface was roughened, thus providing sediment control and a good environment for successful vegetative growth. There is no indication of erosion in this area. The bond release area has a variety of shrubs with fewer grasses (due to the timing of the inspection). There is a high occurrence of four-wing salt brush. The cheat grass in this area helps with erosion control on the steep slopes. Vegetation sampling occurred in the early seasons of 2006 and 2007. The group observed the vegetation reference area, which consisted of more grasses than shrubs (see Photo 4). Vegetation of the reclaimed road was proven to be higher in woody plant density and total percent cover than the reference area.

There was evidence of wildlife in the area, and it can be assumed that the reclaimed road acts as a corridor for wildlife.

There were still remnants of silt fences on the down-slope portion of the OCRR (see Photo 5). This fence was previously used to control drainage and catch sediment. The group agreed that SCA must remove all remnants of the silt fence and rebar before bond release can be granted. An inspector from DOGM will verify that this occurs before DOGM proposes their decision regarding this bond release request.

#### **Inspection Photographs:**



Photo 1 – portion of reclaimed road



Photo 2 - portion of reclaimed road



Photo 3 – well established vegetation

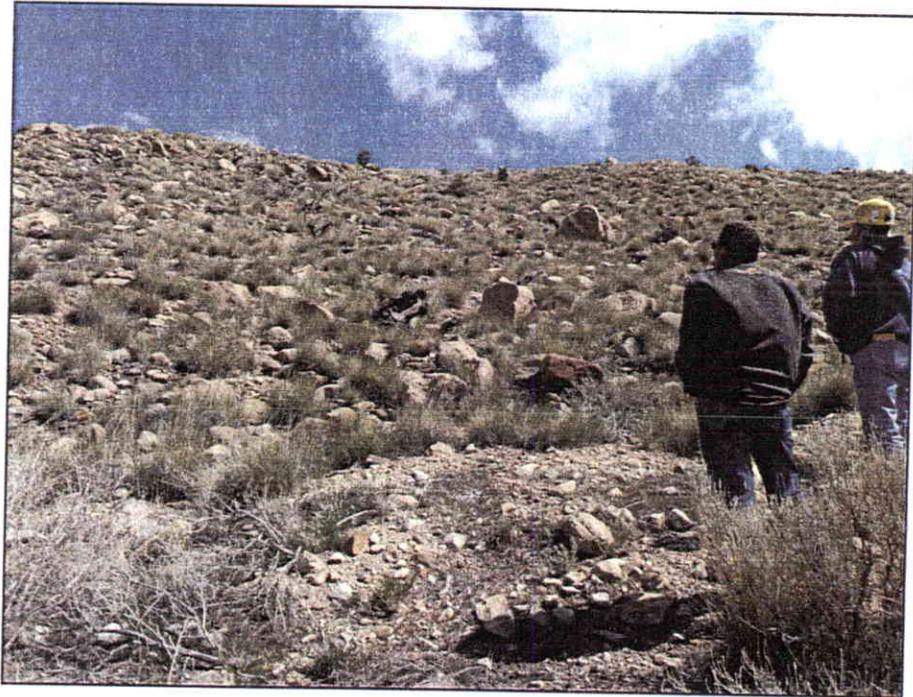


Photo 4 – Vegetation Reference Area

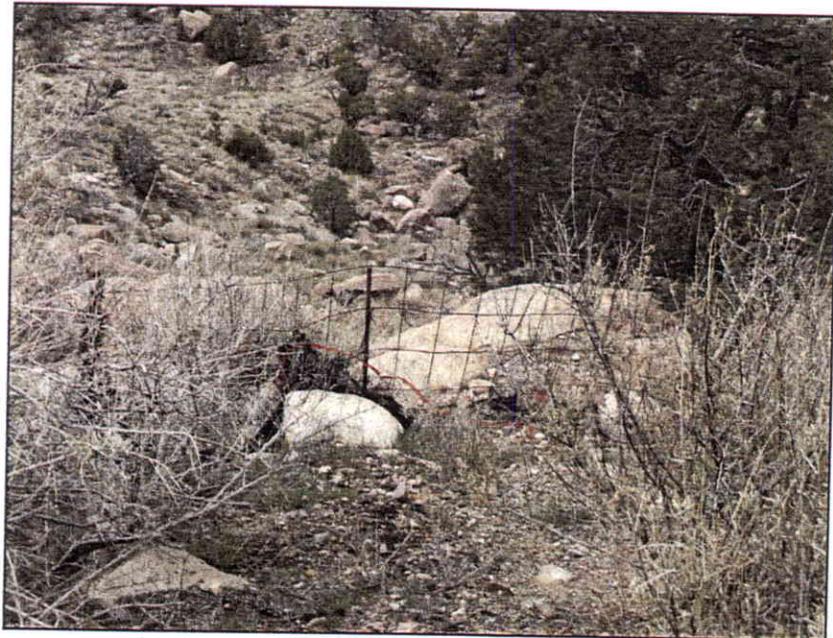


Photo 5 – Silt Fence remnants that must be removed