



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070035
#3718
R

May 18, 2011

Kenneth Walker, Chief
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, CO 80202-3050

Subject: Phase II and III Bond Release, Sunnyside Cogeneration Associates, Sunnyside Refuse & Slurry Site, Old Coarse Refuse Road, C/007/0035, Task ID # 3718, Outgoing File

Dear Mr. Walker:

Enclosed is the Division's Decision Document for the Phase II and Phase III bond release of the Old Coarse Refuse Road at Sunnyside Cogeneration Associates, Sunnyside Refuse and Slurry Mine site. The permittee has requested a bond release in the amount of \$40,000 for the 5.35 acre parcel of reclaimed land. The Division finds Sunnyside Cogeneration Associates has met the regulatory requirements for Phase II and III bond release and recommends approval for the bond release. We request the Office of Surface Mining's concurrence with this determination. A copy of the Phase III bond release inspection report is included in this package along with the Division's Decision Document. Please provide your determination at your earliest convenience.

If you have any questions or need further information, please feel free to call me at (801) 538-5325 or Steve Christensen at (801) 538-5350.

Sincerely,

Daron R. Haddock
Permit Supervisor

DRH//sqs
Enclosure

cc: Richard Carter, SCA
Price Field Office

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**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT**

For

Phase II and Phase III Bond Release
Old Coarse Refuse Road
Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry Site
C/007/035
Carbon County, Utah

CONTENTS

- Administrative Overview
- Chronology
- Summary of Findings
- Recommendation for Phase II and III Bond Release
- Technical Analysis
- Affidavit of Publication
- Bond Release Inspection Report

ADMINISTRATIVE OVERVIEW

Sunnyside Cogeneration Associates
Sunnyside Refuse & Slurry Site
C/007/0035
Carbon County, Utah

ACTION

Grant approval of Phase II and Phase III bond release for the 5.35 acre associated with the area referred to as the Old Coarse Refuse Road (OCCR). On December 21, 2010 the Division received an Application for Phase III Bond Release from Sunnyside Cogeneration Associates (SCA) for the Sunnyside Refuse and Slurry site. SCA is requesting Phase III Bond Release for three parcels along the southern slope of the site which comprise approximately 5.35 acres. Reclamation work on the Old Coarse Refuse Road (OCCR) Phase III Bond Release Area was completed in fall of 1994. Phase I Bond Release for this area was approved on October 10, 1997. SCA has not applied for Phase II Bond Release for this area, therefore this application is being reviewed against the requirements for both Phase II and III Bond Release.

BACKGROUND

The Old Coarse Refuse Road (OCCR) is located on surface owned by SCA. The OCCR is located at an elevation of 6,400 ft on the south facing slope of the ridge which borders the south side of excess spoil disposal area #1. Surface Facilities Plate 5-1 shows Roads R and B providing access to the OCCR from the west and east, respectively. Plates 10-A through 10-C illustrate the road reclamation.

Removal of refuse from the OCCR was approved on July 6, 1994. Grading of the remainder of the refuse into the cut on the road was completed as described in MRP Section 10.4.1 and 10.5.1, with refuse materials placed on the inside cut of the road, in one foot lifts, and covered with four feet of borrow material* obtained from within the permit area. The out-slopes of the road were first sampled (MRP Appendix 2-10) and then covered with six inches of borrow material, and treated with 1 T/ac mulch (MRP Section 10.8.1). Due to elevated selenium and high sodium adsorption ratios in 3 of the 5 samples, greater cover on the outslopes was requested by the Division (Henry Sauer memo dated 10/26/1994 and outgoing letter dated 9/16/1994). In fact, the record indicates that one foot of soil was placed over the outslopes (letter from SCA dated 8/22/1994. Burning coal mine waste on the road was referred to in the latter document and made the situation more immediate (letter from the Division 8/15/1994).

*[The borrow area was graded to a 3h:1v slope and seeded with an interim mix.]

Fertilizer was applied (16-16-8) at a rate of 210 lbs/ac (MRP Section 10.8.1) just prior to broadcast seeding with the Atriplex/grass seed mix (found at the end of Appendix 3-3). Finally, the slope was again mulched with 2 T/ac wood fiber hydromulch or 1.5 T straw mulch /ac. (Steep sections (1h:1v) were treated with erosion control matting. Phase I portion of the bond (60%) was released for the 5.35 acre site on October 10, 1997.

Quantitative analysis of the OCRR vegetation was compared with the adjacent atriplex/grass reference area in September 2006 and in August 2007 (see Annual Reports). A bond release inspection to the site on April 26, 2011 confirms that the reclaimed site has greater diversity than the reference area. The reference area is dominated by grass species, whereas on the reclaimed area a variety of shrubs predominated. Cheat grass is evident and plays an important role in erosion control on steeper slopes.

RECOMMENDATION

Based on the analysis and findings contained herewith, the application is recommended for approval.

CHRONOLOGY FOR PHASE II and III BOND RELEASE

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry Site
C/007/0035
Carbon County, Utah

May 16, 2011

November 8, 2010	Division receives an application for phase III bond release on the Old Course Refuse Road area.
November 16, 2010	Division sends a deficiency letter to SCA noting things that needed to be corrected in the application. It was determined that SCA should proceed with the public notice.
November 23, 30 and December 7, 14, 2010	The Notice of phase III bond release was published for four consecutive weeks in the Sun Advocate.
December 13, 2010	Division receives a determination from the Office of Surface Mining that the application does not constitute a mining plan action requiring Secretarial approval.
December 21, 2010	Division receives a revised application for the phase II and phase III bond release at the old course refuse road.
December 21, 2010	Division received an affidavit of publication signed by Richard Shaw, Publisher of the Sun Advocate.
January 13, 2011	End of comment period. No comments received.
January 18, 2011	Application for bond release found administratively complete. It was determined that the bond release inspection would be done on April 26, 2011, which is a time of year more appropriate for doing a bond release.
January 18, 2011	The Division sent an agency notification and invitation to the final bond release inspection to local government bodies, property owners and planning agencies. They were given until February 17, 2011 to provide comments.
April 26, 2011	The Division completed a final bond release inspection of the Old Coarse Refuse Road.
May 16, 2011	Division recommends approval of Phase II and Phase III bond release of the Old Coarse Refuse Road.

SUMMARY OF FINDINGS

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry Site
C/007/0035
Carbon County, Utah

May 16, 2011

SUMMARY OF FINDINGS:

The phase II and III bond release findings for the Coarse Refuse Road are part of the Technical Analysis dated May 11, 2011. The Division finds that the application submitted by Sunnyside Cogeneration Associates meets the minimum requirements of the Utah Coal Mining Rules for bond release.

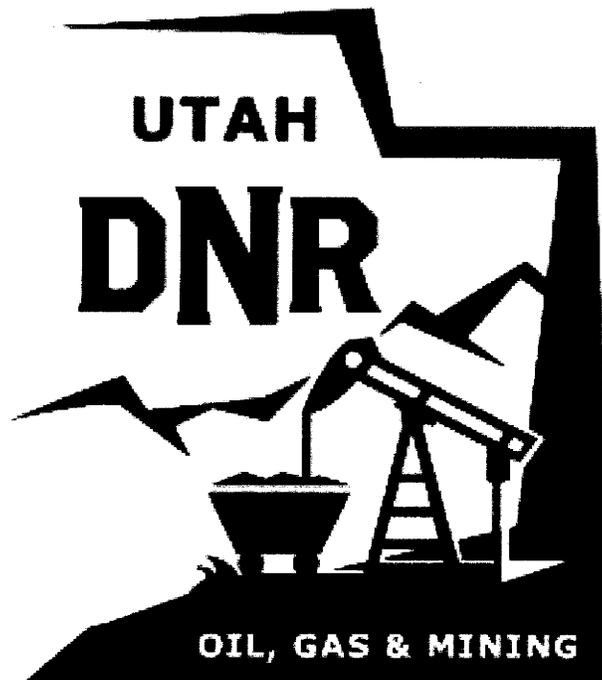
The Division did not receive any comments during the public comment period nor were there any comments received from the notified agencies.

The Division and the other participating agencies did not identify any problems during the final bond release inspection. An inspection report was completed and is included with this decision document.

PHASE II and III BOND RELEASE RECOMMENDATION:

The Division recommends that Phase II and III bond release be granted on the 5.35 acres of land associated with the Coarse Refuse Road and that Sunnyside Cogeneration Associates be allowed to reduce their required performance bond by \$40,000.

State of Utah



Coal Regulatory Program

Sunnyside Refuse and Slurry
Sunnyside Cogeneration Associates
Technical Analysis for Phase III Bond Release on Course Refuse Road
May 11, 2011

SUMMARY:

On December 21, 2010 the Division received an Application for Phase III Bond Release from Sunnyside Cogeneration Associates (SCA) for the Sunnyside Refuse and Slurry site. SCA is requesting Phase III Bond Release for three parcels along the southern slope of the site which comprise approximately 5.35 acres. Reclamation work on the Old Coarse Refuse Road (OCRR) Phase III Bond Release Area was completed in fall of 1994. Phase I Bond Release for this area was approved on October 10, 1997. SCA has not applied for Phase II Bond Release for this area, therefore this application is being reviewed against the requirements for both Phase II and III Bond Release.

This memo reviews the application for the hydrology discipline under the Utah under the Utah R645 Coal Rules. R645-301-880.320 (Phase II Bond Release) states that no part of the bond or deposit will be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of the requirements set by UCA 40-10-17(2)(j) of the Act (minimizing disturbance to the hydrologic balance) and by R645-301-751 (Water Quality Standards and Effluent Limitations). Hydrologic reclamation requirements are found in R645-301-760.

Based on the analysis and findings contained herewith, the application is recommended for approval at this time.

HISTORY:

The Old Coarse Refuse Road (OCRR) is located on surface owned by SCA. The OCRR is located at an elevation of 6,400 ft on the south facing slope of the ridge which borders the south side of excess spoil disposal area #1. Surface Facilities Plate 5-1 shows Roads R and B providing access to the OCCR from the west and east, respectively. Plates 10-A through 10-C illustrate the road reclamation.

Removal of refuse from the OCRR was approved on July 6, 1994. Grading of the remainder of the refuse into the cut on the road was completed as described in MRP Section 10.4.1 and 10.5.1, with refuse materials placed on the inside cut of the road, in one foot lifts, and covered with four feet of borrow material* obtained from within the permit area. The out-slopes of the road were first sampled (MRP Appendix 2-10) and then covered with six inches of borrow material, and treated with 1 T/ac mulch (MRP Section 10.8.1). Due to elevated selenium and high sodium adsorption ratios in 3 of the 5 samples, greater cover on the outslopes was requested by the Division (Henry Sauer memo dated 10/26/1994 and outgoing letter dated 9/16/1994). In fact, the record indicates that one foot of soil was placed over the outslopes (letter from SCA

dated 8/22/1994. Burning coal mine waste on the road was referred to in the latter document and made the situation more immediate (letter from the Division 8/15/1994).

*[The borrow area was graded to a 3h:1v slope and seeded with an interim mix.]

Fertilizer was applied (16-16-8) at a rate of 210 lbs/ac (MRP Section 10.8.1) just prior to broadcast seeding with the Atriplex/grass seed mix (found at the end of Appendix 3-3). Finally, the slope was again mulched with 2 T/ac wood fiber hydromulch or 1.5 T straw mulch /ac. (Steep sections (1h:1v) were treated with erosion control matting. Phase I portion of the bond (60%) was released for the 5.35 acre site on October 10, 1997.

Quantitative analysis of the OCRR vegetation was compared with the adjacent atriplex/grass reference area in September 2006 and in August 2007 (see Annual Reports). A bond release inspection to the site on April 26, 2011 confirms that the reclaimed site has greater diversity than the reference area. The reference area is dominated by grass species, whereas on the reclaimed area a variety of shrubs predominated. Cheat grass is evident and plays an important role in erosion control on steeper slopes.

TECHNICAL ANALYSIS:

REPORTING OF TECHNICAL DATA

Regulatory Reference: 30 CFR 777.13; R645-301-130.

Analysis:

The technical data has been accompanied by the names of the individuals and companies qualified in their respective fields.

Findings

The information is adequate to meet the requirements of this section of the regulations.

OPERATION PLAN

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 773.17, 774.13, 784.14, 784.16, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-300-140, -300-141, -300-142, -300-143, -300-144, -300-145, -300-146, -300-147, -300-147, -300-148, -301-512, -301-514, -301-521, -301-531, -301-532, -301-533, -301-536, -301-542, -301-720, -301-731, -301-732, -301-733, -301-742, -301-743, -301-750, -301-761, -301-764.

Analysis:

Sediment control for the OCRR Phase III Bond Release Area is provided by UPDES-permitted sediment ponds and through Alternative Sediment Controls. These sediment control measures are described below.

Siltation Structures: Sedimentation Ponds

Outfalls from sediment ponds at the site are permitted under UPDES Permit No. UT0024759. The Phase III Bond Release area is within the drainage areas of two sediment ponds: Old Coarse Refuse Road Pond (Outfall 008) and Rail Cut Pond (Outfall 007). Sediment ponds and associated drainage areas are shown on MRP Plate 7-1. The Old Coarse Refuse Road Pond receives drainage from the eastern portions of the Phase II Bond Release Area which area

TECHNICAL MEMO

adjacent to the east slurry cell. The Rail Cut Pond receives drainage from the western portion of the OCRR Phase III Bond Release Area.

A review of monitoring data submitted by SCA to the Division's water database indicates that there has never been a discharge from Outfall 008 and Outfall 007 has only discharged twice, on 9/10/1991 and 8/10/1994. Based on available monitoring data, the OCRR Phase III Bond Release Area has not contributed suspended solids to streamflow or runoff outside the permit area since the reclamation work was completed in fall of 1994.

Other Sediment Control Measures

The portion of the OCRR Phase III Bond Release Area which does not drain to sediment ponds is designated as an Alternative Sediment Control Area / Best Technology Currently Available Area on Plate 7-1. In this area, sediment control is provided by vegetation and surface roughening. An inspection performed on April 5, 2011 found that reclamation activities in this area have stabilized soil and that there is no indication of erosion occurring from the area.

Iceland Creek is classified as designated uses 2B / 3C / 4 (Price River and tributaries, from confluence with Green River to Carbon Canal Diversion at Price City Golf Course). Monitoring data for location ICE-1 show that Iceland Creek below the SCA permit area has never violated the water quality criteria for dissolved oxygen and dissolved iron. There has been one reported pH value which is outside the range of 6.5 to 9.0 (pH 9.1 on 12/7/1992). Total dissolved solids (TDS) have exceeded the 3,000 mg/L criterion two times: 3,174 mg/L on 11/19/2008 and 3,956 mg/L on 11/19/2001. Water quality standards are not established for TSS. TSS values reported for Iceland Creek location ICE-1 have been less than 50 mg/L except for three events (62 mg/L 12/7/1992, 71 mg/L 4/19/1994, 121 mg/L 3/21/2007). The monitoring data for Iceland Creek below the permit boundary demonstrate that the site is not contributing suspended solids to streamflow outside the permit area and that the water is of sufficient quality to meet is designated uses.

Findings:

The available data indicate that OCRR Phase III Bond Release Area is not contributing suspended solids to streamflow or runoff outside the permit area in excess of the requirements set by UCA 40-10-17(2)(j) of the Act and by R645-301-751; therefore, the OCRR Phase III Bond Release Area meets the hydrology-related requirements for Phase II Bond Release under the Utah R645 Coal Rules.

RECLAMATION PLAN

REVEGETATION

Regulatory Reference: 30 CFR Sec. 785.18, 817.111, 817.113, 817.114, 817.116; R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284.

Analysis:

Revegetation: Standards For Success

The total living cover of the reclaimed refuse road was estimated at 32.9 % as shown in table 1 (A). The most dominant species being four wing salt bush. The woody species density of the reclaimed road was estimated at 3314 stems per acre compared to that of the reference area being 1,357 plants per acre. Total living cover was also higher than that of the reference areas as noted in table 7, figure 2 for the years 2006 and 2007.

Findings:

The information is adequate to meet the requirements of this section of the regulations.

STABILIZATION OF SURFACE AREAS

Regulatory Reference: 30 CFR Sec. 817.95; R645-301-244.

Analysis:

The surface areas associated with the reclamation of the coarse refuse road are stable as noted by the vegetation success, slope stability and no erosion.

Findings:

The information is adequate to meet the requirements of this section of the regulations.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

TECHNICAL MEMO

The material used to backfill the disturbed area was graded to a slope which is compatible with the approved postmining land use and which provides adequate drainage and long-term stability. There were not highwall remnants that pose a hazard to the public health and safety or to the environment.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 701.5, 784.24, 817.150, 817.151; R645-100-200, -301-513, -301-521, -301-527, -301-534, -301-537, -301-732.

Analysis:

The road was reclaimed in accordance with the approved reclamation plan, and was done as soon as practicable after it was no longer needed for mining and reclamation operations. The reclamation included: closing the road to traffic; removing all bridges and culverts, removing of road-surfacing materials, reshaping cut and fill slopes to complement the natural drainage pattern of the surrounding terrain, scarifying the roadbed, replacing topsoil and revegetation of disturbed surfaces.

Present on the down-slope portion of the reclaimed road was remnants of a silt-fence that was at one time used for drainage control. The operator was instructed to remove the fence in its entirety. A Division inspector will inspect the site again to verify that the fence remnants have been removed.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

Analysis:

Hydrologic Reclamation Plan

No temporary structures are present within the OCRR Phase III Bond Release Area. The OCRR Phase III Bond Release Area does not include any permanent sedimentation ponds, diversions, impoundments or treatment facilities. The portions of the OCRR Phase III Bond Release Area which are below the East Slurry Cell are spilt by permanent structures OCRR-FD1 / OCRR-FC1 / OCRR-FD2, as shown on Plate 10-5 (Final Reclamation Drainage and Diversion Plan). These structures have already been constructed in their final configurations; therefore additional construction is not necessary. However, these structures may require access / maintenance in the future to remove coal fines prior to final bond release.

Findings:

The application meets the Hydrologic Reclamation Plan requirements under the Utah R645 Coal Rules.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

General

The Division reviewed and approved an updated reclamation cost estimate for the Sunnyside Refuse and Slurry facility on November 16, 2010. That amount, escalated to 2015 (the date of the next mid-term permit review) was determined to be \$ 1,609,000.00.

Form of Bond

The Division holds a collateral bond in the form of Treasury Securities utilizing Wells Fargo Bank as the escrow agent. The amount of bond currently in place to ensure the complete reclamation of the Sunnyside Refuse and Slurry facility is \$ 1,775,000.00.

Determination of Bond Amount

Based upon the Permittee's revised subtotals for backfilling and grading and revegetation, as received in Task ID # 3668, the amount of the reduction requested in the reclamation cost estimate is \$ 37,296.00. This amount does not include the dollar amount which would normally be included to cover indirect costs (which amount to 26.8 % or almost \$

TECHNICAL MEMO

10,000). The Permittee has asked for a reduction in the reclamation cost estimate of \$ 40,000, establishing a new total of \$ 1,569,000.00.

Terms and Conditions for Liability Insurance

The Permittee provides general liability insurance coverage through the Federal Insurance Company. This is renewed annually, from August 1 through July 31st. This coverage is confirmed during each quarterly complete inspection by the assigned Division inspector.

Findings:

The Permittee is justified in requesting a \$ 40,000.00 reduction in the reclamation cost estimate. If the Division determines that the Permittee has met all of the other requirements necessary to receive a Phase II and Phase III release, then the Division should approve a \$ 40,000.00 reduction in the amount of collateral bond which is currently posted.

The new amount of collateral bond which should be retained is \$ 1,735,000.00.



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070035
Inspection Type:	BOND RELEASE
Inspection Date:	Tuesday, April 26, 2011
Start Date/Time:	4/26/2011 10:00:00 AM
End Date/Time:	4/26/2011 1:30:00 PM
Last Inspection:	Tuesday, April 05, 2011

Inspector: Priscilla Burton

Weather: cloudy with strong west wind and wind chill 32F

InspectionID Report Number: 2727

Accepted by: jhefric

5/12/2011

Representatives Present During the Inspection:	
OGM	Daron Haddock
OGM	Joe Helfrich
OGM	Pete Hess
OGM	James Owen
OGM	Karl Houskeeper
OGM	Priscilla Burton
OSM	Elizabeth Shaeffer
Company	Rusty Netz
Company	Scott Carlson

Permittee: **SUNNYSIDE COGENERATION ASSOCIATES**

Operator: **SUNNYSIDE COGENERATION ASSOCIATES**

Site: **SUNNYSIDE REFUSE & SLURRY**

Address: **PO BOX 159, SUNNYSIDE UT 84539**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

323.95	Total Permitted
202.00	Total Disturbed
5.35	Phase I
5.35	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:

Phase III bond release inspection of the 5.35 acre Old Coarse Refuse Road (Task 3718). Butch Hansen with Savage, Rusty Netz with Constellation Energy, Scott Carlson with Psomas consulting, Elizabeth Shaeffer with OSM, and DOGM staff were present.

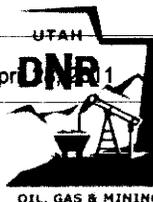
Inspector's Signature:

Priscilla Burton

Priscilla Burton,

Date

Thursday, Apr



Inspector ID Number: 37

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Telephone (801) 338-3340 • Facsimile (801) 339-3940 • TTY (801) 338-7438 • www.ogm.utah.gov

OIL, GAS & MINING

Permit Number: C0070035
Inspection Type: BOND RELEASE
Inspection Date: Tuesday, April 26, 2011

Inspection Continuation Sheet

Permit Number: C0070035
 Inspection Type: BOND RELEASE
 Inspection Date: Tuesday, April 26, 2011

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 performance 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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The application for Phase III bond release for the Old Coarse Refuse Road was received Dec. 17, 2010 and is under review as Task 3718. The Old Coarse Refuse Road (OCRR) is located on surface owned by SCA. The OCRR is located at an elevation of 6,400 ft on the south facing slope of the ridge which borders the south side of excess spoil disposal area #1. Surface Facilities Plate 5-1 shows Roads R and B providing access to the OCRR from the west and east, respectively. Plates 10-A through 10-C illustrate the road reclamation.

3. Topsoil

Removal of refuse from the OCRR was approved on July 6, 1994. Grading of the remainder of the refuse into the cut on the road was completed as described in MRP Section 10.4.1 and 10.5.1, with refuse materials placed on the inside cut of the road, in one foot lifts, and covered with four feet of borrow material obtained from within the permit area. The out-slopes of the road were first sampled (MRP Appendix 2-10) and then covered with six inches of borrow material, and treated with 1 T/ac mulch (MRP Section 10.8.1). Due to elevated selenium and high sodium adsorption ratios in 3 of the 5 samples, greater cover on the outslopes was requested by the Division (Henry Sauer memo dated 10/26/1994 and outgoing letter dated 9/16/1994). In fact, the record indicates that one foot of soil was placed over the outslopes (letter from SCA dated 8/22/1994). Burning coal mine waste on the road was referred to in the latter document and made the situation more immediate (letter from the Division 8/15/1994). Fertilizer was applied (16-16-8) at a rate of 210 lbs/ac (MRP Section 10.8.1) just prior to broadcast seeding with the Atriplex/grass seed mix (found at the end of Appendix 3-3). Finally, the slope was again mulched with 2 T/ac wood fiber hydromulch or 1.5 T straw mulch /ac. (Steep sections (1h:1v) were treated with erosion control matting. Phase I portion of the bond (60%) was released for the 5.35 acre site in 1994.

Erosion is a natural occurrence on Mancos Shale slopes. Sheet erosion that has occurred over the course of 17 years at the reclaimed site was contained by silt fences. No coal mine waste has been exposed. Vegetation has established and total living cover exceeds that of the reference area. There is no further need for silt fences. Cheat grass is evident and plays an important role in erosion control on steeper slopes. 1994 Soil sample locations shown on Plate 2-1 with elevated SAR and/or selenium values, as recorded in App. 2-10, could not be distinguished from their surroundings. There were no barren areas and no selenium indicator plants noted.

4.c Hydrologic Balance: Other Sediment Control Measures

A number of silt fences had previously been installed along the toe of the reclaimed slope. The silt fences are scheduled to be removed, prior to Phase III bond release. (Removal of silt fence remnants was confirmed by Karl Houskeeper on 5/10/2011.) Over the 18 years it has been in place, the fence has served its purpose, and accumulated up to a foot of sediments in some places. However, in the future, similar sites should use a berm/ditch at the base of the reclamation area, rather than a silt fence, so that sediments will be captured, and over time the ditch will fill in and become vegetated and the boundary will be blurred. This site appears to be stabilized and there is no indication of ongoing erosion that would prevent the phase III bond release.

13. Revegetation

The phase three bond release application included a vegetation study for the Old Coarse Refuse Road prepared by Mount Nebo Scientific. According to the study the vegetative components either met or exceeded those of the reference area. During the inspection, the Division biologist and other team members walked the length of the road, noting vegetative species included in the seed mix. All but a few grasses could be identified, due to the timing of the inspection. The reference area, which is located near the end of the road and above the reclaimed area, also contained species noted in the previous vegetation inventories. The reclaimed road was stable and showed no signs of erosion. The reclaimed road also provides a wildlife travel corridor. Removal of silt fence remnants and other debris was recommended prior to approval and was confirmed by an inspection on May 10, 2011.

21. Bonding and Insurance

The Permittee has a posted bond amount of \$ 1,775,000, which is a collateral bond based on Treasury Securities held in escrow by Wells Fargo Bank. An amount of \$ 40,000 has been asked for as the requested reduction amount. This would leave a remaining escrow amount of \$ 1,735,000 to ensure the reclamation of the remainder of the disturbed area.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

SS.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 23rd day of November, 2010, and that the last publication of such notice was in the issue of such newspaper dated the 14th day of December 2010.



Richard Shaw - Publisher

Subscribed and sworn to before me this 14th day of December, 2010.



Notary Public My commission expires January 10, 2011 Residing at Price, Utah

Publication fee, \$ 400.36



PUBLIC NOTICE

The undersigned, Richard Shaw, Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 23rd day of November, 2010, and that the last publication of such notice was in the issue of such newspaper dated the 14th day of December 2010.

The enclosed area is located within lands described as:

SE 1/4 and SW 1/4 of NE 1/4 Section 6, T 15 S, R 14 E, S1B&M
N 1/2 Section 7, T 15 S, R 14 E, S1B&M.

Copies of the bond release application provide detailed description of the process of the reclamation work and will be available for inspection at the:

Utah Division of Oil, Gas and Mining
1504 West North Temple, Suite 1210
Salt Lake City, Utah 84119

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 Reclamation Program, 1504 West North Temple, Suite 1210, Salt Lake City, Utah 84119.

Published in the Sun Advocate November 23, 30 and December 7, 14, 2010.

Daron Haddock - Sunnyside Bond Release

From: Karl Houskeeper
To: Daron Haddock
Date: 5/10/2011 2:24 PM
Subject: Sunnyside Bond Release
CC: Steve Christensen

Daron,

I just returned from an inspection at Sunnyside (SCA). As part of this inspection I verified that the silt fence/wire mess structure and rebar's have been removed from the area proposed for bond release. I believe this was the last step associated with that process.

Thanks,
Karl

C/007/035 Incoming

#3668

OK



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



UT-0000

December 13, 2010

Utah Division of Oil, Gas, & Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Sunnyside Cogeneration Associates, "Star Point Waste Fuel" Mine - Application for a Permit Revision, Phase 3 Bond Release, Task ID No. 3668

Dear Sir or Madam:

This is in response to the Utah Division of Oil, Gas & Mining's (UT-DOGM) November 10, 2010, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Phase 3 Bond Release, has determined that it requests Phase III final bond release for approximately 5.35 acres for an area known as the Old Corse Refuse Road Reclamation at the Sunnyside Refuse/Slurry mine, Utah State permit C/007/0035.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR PART 740 and PART 746. Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a Permit Revision, Phase 3 Bond Release, with other Federal agencies for compliance with other Federal regulations.

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DEC 20 2010

DIV. OF OIL, GAS & MINING

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OSM also electronically transmitted the November 10, 2010, request to the Bureau of Land Management and the USDA Forest Service for their review and comment.

In an electronic submittal dated November 15, 2010, the USDA Forest Service stated it had no comments or concerns with the permit revision application.

The Bureau of Land Management did not provide any comments in the thirty day time frame established by the Federal regulations under 30 CFR 944.30, Article VI. D.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 293-5038.

Sincerely,



Robert Postle *for*
Manager, Field Operations Branch

cc: BLM - Utah State Office
BLM - Price Field Office
USFS - Manti-La Sal NF
Denver Field Division

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DEC 20 2010

DIV. OF OIL, GAS & MINING