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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
#3783
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July 14, 2011

Mr. Rusty Netz, Environmental Coordinator
Sunnyside Cogeneration Associates
One Power Plant Road
P.O. Box 159
Sunnyside, UT 84539

Subject: 2010 Annual Report Review Completion, Sunnyside Refuse and Slurry, C/007/0035,
Task ID #3783

Dear Mr. Netz:

The Division staff has completed the review of the 2010 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on July 14th, 2011. Please submit 4 copies of the following items as separate applications with a C1/C2 form for approval and incorporation into the official mining and reclamation plan by August 18th, 2011.

- In accordance with R645-301-512.100 and R645-301-521, please resubmit the Sunnyside Refuse/Slurry Map, Map 1 for incorporation into the M&RP.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/SKC/ss
cc: Price Field Office
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Annual Report

Date

7/14/11

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 31, 2011**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	Sunnyside Cogeneration Associates	Mine Name	Sunnyside Refuse and Slurry		
Permit Number	C/007/0035	Permit expiration Date	2013-02-04		
Operator Name	Richard Carter	Phone Number	+1 (435) 888-4476		
Mailing Address	PO Box 159	Email			
City	Sunnyside	State	UT	Zip Code	84539

CERTIFIED REPORTS

DOGM File Location or Annual Report Location

Excess Spoil Piles

- Required
 Not Required

Submitted quarterly to DOGM and included in Appendix A herewith

Refuse Piles

- Required
 Not Required

Submitted quarterly to DOGM and included in Appendix A herewith

Impoundments

- Required
 Not Required

Submitted quarterly to DOGM and included in Appendix A herewith

Other:

OPERATOR COMMENTS

All impoundments performed as designed with no discharges during 2010.
The refuse pile is being excavated as intended and excess spoil piles are in conformance with the approved design.

REVIEWER COMMENTS

Met Requirements Did Not meet Requirements

The regulations require that sediment ponds be inspected quarterly and P.E certified annually. The sediment ponds were inspected and P.E. certified for all four quarters in 2010. This meets and exceeds the regulation requirements. The reports were received by the Division immediately after the inspections were done. The reports are also included with the 2010 annual report. The certifications were done by a Utah P.E.

The reports for the refuse pile and excess spoil piles were received immediately after each quarterly inspection and they are also included in this annual report. The reports are P.E. certified by a Utah P.E.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: ANNUAL RECLAMATION

Objective: To reclaim areas no longer needed for mining activities and reduce the acreage under the current reclamation cost estimate.

Frequency: Annually

Status: Ongoing, excess spoil pile #2 may reach designed capacity in 2010.

Reports: Annual- Summary of Reclamation work and include vegetation monitoring reports (if any).

Citation: Book 6, chapter 9, page 900-25, section 9.12, paragraph 2

OPERATOR COMMENTS

SCA reclaimed the Old Coarse Refuse Road in 1994 and has recently submitted a request for Phase 3 bond release. A reduction in the acreage and reclamation bond was submitted. This bond release is still under review at DOGM.

No other areas have yet been determined to be "no longer needed for mining activities."

SCA is aware of its use of and future mining needs for the area within its permit area and is complying with this requirement.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Vegetation surveys and analysis were a part of the phase three bond release inspection of the old coarse refuse road. They were performed by Mt. Nebo Scientific and demonstrated that the parameters surveyed in the reclaimed area met or exceeded those in the reference area.

Title: EXCESS SPOIL (REFUSE) SAMPLING

Objective: To evaluate the chemistry of the waste rock for the purpose of determining final cover depth requirement per R645-301-553.252

Frequency: After completion of each 2-4ft. Lift.

Status: Ongoing. 2009 annual report did not include all of the analytical test results. These results must be included in the 2010 quarterly inspection report and summarized in the annual report.

Reports: Annual Report

Citation: MRP Chap 9, p. 900-12 and Appendices 9.5 and 9-7

OPERATOR COMMENTS

SCA sampled the materials in Excess Spoil Disposal Area 2 during 2009 and submitted the results with the 1st qtr 2010 inspection reports. These results are included in Appendix A of this report together with the 1st qtr 2010 inspection report. No new material was placed in Disposal Area #2 during 2010 and no additional samples were taken.

SCA sampled the materials in Excess Spoil Disposal Area 1 during 2010 and included the results in Appendix A of this report after the qtrly 2010 inspection reports. These results will also be included with the 1st qtr 2011 inspection report.

REVIEWER COMMENTS



Met Requirements



Did Not meet Requirements

Reviewed by Priscilla Burton on 4/14/2011. No material was hauled to Spoil pile #2 in the year 2010. Eight samples of spoil pile #2 were

collected in August 2009 and analyzed by America West Analytical in March 2010. The pH values fell between 8.06 and 8.46. The samples were analyzed for B, Ca, Se, Mg, Na, using total metals analysis. SAR values were calculated based upon total metals. Mr. Netz has been contacted concerning the appropriate methods to be used for evaluation of agronomic suitability. i.e. water soluble extracts.

The 4th Qtr. Certified Report in Appendix A state that Spoil Pile #1 received 70,490 Tons of waste in 2010. One sample was taken in November 2010 and analyzed in January 2011 by America West Analytical. The pH was 8.6. As with Spoil Pile #2, the analytical methods make the SAR, B and Se values difficult to interpret for agronomic purposes.

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the Status item. These commitments are included for information only, and do not currently require action.

Title: REFUSE SAMPLING PRIOR TO FINAL RECLAMATION

Objective: To sample the remainder of the refuse and slurry areas for acid/toxic parameters prior to final reclamation

Frequency: Final Reclamation

Status: Ongoing

Reports: Annual

Citation: awaiting updated reference from permittee

OPERATOR COMMENTS (Optional)

As directed by DOGM, SCA made an additional commitment for sampling prior to final reclamation. The commitment has been added to the permit in MRP Chapter 7, Section 731.300 thru 731.320, on or about page 700-15

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as an attachment to this report or currently on file with the Division.

Please List Attachments:

SCA regularly provides a summary of temperature and precipitation data obtained from Sunnyside City in Appendix B-1
SCA includes commentary on sites which have been reclaimed or received interim reseeding. These areas appear to have similar vegetation to the surrounding area.
SCA performs quarterly water monitoring at various sources. Analytical results are sent to the Division throughout the year and are provided in Appendix B-2.
SCA excavated 72,682 tons of refuse from the Sunnyside permit area, received 275,758 tons from the Star Point facility, 102,195 tons from the Savage Coal Terminal (SCT), 21,885 tons from Westridge Mine, and 14,502 tons from the Dugout Arch Mine, and placed 70,490 tons in the Excess Spoil Disposal Area #1.

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

SCA submitted quarterly water monitoring data in accordance with the approved Mining and Reclamation Plan (MRP).

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as an attachment to the report.

LEGAL/ FINANCIAL UPDATE

Included

DOGM File Location or Annual Report Location

Dept Comm Certif. for Sunnyside Cogeneration Associates

Appendix C

Dept Comm Certif. for Sunnyside Holdings I

Appendix C

Dept Comm Certif. for Sunnyside II LP

Appendix C

REVIEWER COMMENTS

Met Requirements

Did Not meet Requirements

Sunnyside Cogeneration Associates is a joint venture between between Sunnyside Holdings I, Inc. and Sunnyside II, L.P. The Permittee submitted Certificates of Existence from the Utah Department of Commerce for both of these companies - and both companies are in Good Standing. The registered principals match the information that is in the Applicant Violator System and the MRP.

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2010, are to be provided to the Division as an attachment to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Mine Map	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

A mine map is included with the 2010 annual report. The mine map shows areas of excavation during the 2010 year. This mine site consists of surface mining of an existing refuse pile used as a fuel source for a cogeneration power plant. The pile is mined in different lifts and areas as the needs of the power plant are met for quality control and emission requirements. Five year projections are not shown because the entire pile is the projected area for five plus years or the life of the refuse pile.

OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as an attachment to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Please List Attachments:

SCA completed its mid-term permit review with DOGM during 2010 and renewed the reclamation bond.

REVIEWER COMMENTS