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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

Inspection Report

Permit Number:	C0070035
Inspection Type:	COMPLETE
Inspection Date:	Thursday, March 08, 2012
Start Date/Time:	3/8/2012 8:00:00 AM
End Date/Time:	3/8/2012 11:00:00 AM
Last Inspection:	Thursday, February 02, 2012

Representatives Present During the Inspection:	
Company	Rusty Netz
OGM	Karl Houskeeper

Inspector: Karl Houskeeper

Weather: Clear Skies, Temp. 39 Deg. F.

InspectionID Report Number: 3039

Accepted by: jhelfric
3/20/2012

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

241.25	Total Permitted
196.65	Total Disturbed
5.35	Phase I
5.35	Phase II
5.35	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:

Material from the Star Point refuse pile was being hauled into the site for processing and fuel supply for the Co-Generation Plant during the inspection.

Inspector's Signature:

Karl H. Houskeeper

Date

Thursday, March 08, 2012

Karl Houskeeper,

Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.
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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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The following permits were reviewed as part of the complete inspection:

- Mining permit C/007/035 issued February 3, 2008 and expires February 4, 2013.
- UPDES permit #UT0024759 effective August 1, 2007 and expires midnight July 31, 2012.
- Air Quality Permit DAQO-702038-02 issued November 1, 2002, remains in effect.
- SPCC plan is only applicable to plant site which is not within the permit area.
- Certificate of Insurance effective 08/01/2011 and terminates 08/01/2012.
- Reclamation agreement is dated December 1996 and signed by both parties.

2. Signs and Markers

The mine identification is posted on a power pole at the entrance into the permit area. The sign is near the fuel area that Savage Trucking utilizes. The sign contained all of the information required by regulation.

4.a Hydrologic Balance: Diversions

The diversions throughout the site were observed. Some diversions still has ice and snow in them from storm events that have occurred.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment Ponds were dry except for residual moisture from storm events. The sediment ponds were inspected for the fourth quarter of 2011 on December, 22, 2011. A report was compiled on January 19, 2012 and P.E. certified on January 26, 2012. Existing sediment levels for all of the sediment ponds was below the 60% sediment elevation level, which requires that a pond be cleaned.

4.e Hydrologic Balance: Effluent Limitations

The discharge monitoring reports for January 2012 were reviewed as part of the complete inspection. The reports showed that no discharge occurred in January 2012 from any of the sediment pond outfalls. The reports were submitted to the State of Utah Department of Environment Quality.

5. Explosives

No explosive storage or usage is utilized on site.

6. Disposal of Excess Spoil, Fills, Benches

The excess spoil piles #2 and #2 were inspected on December 22, 2011. A report was compiled on January 19, 2012 and P.E. certified on January 26, 2012. The reports did not show any problem with either excess spoil pile. An addendum to the report for excess spoil pile #2 was attached that showed photographs of reclamation activities that transpired during the fourth quarter of 2011 on that pile.

7. Coal Mine Waste, Refuse Piles, Impoundments

The reuse pile was inspected and no hazards were observed during the inspection. The pile appeared stable. Mining of this reuse pile has or is occurring in different locations as different qualities are needed as a fuel supply for the Co-Generation Plant which is located adjacent to the refuse pile.

The refuse pile was inspected during the fourth quarter of 2011 on December 22, 2011. The information was compiled into a report dated January 19, 2012 and P.E. certified on January 26, 2012. No problems were noted as a result of this inspection.

8. Noncoal Waste

The site was free of any noncoal waste materials.

11. Contemporaneous Reclamation

Reclamation activities were begun on excess spoil pile #2.

16.a Roads: Construction, Maintenance, Surfacing

Roads throughout the mine site are being maintained in accordance with their approved designs within the mining and reclamation plan.

22. Other

A portable ramp has been placed at the exist from the permit area so that the tractor/trailers leaving the mine site can drive over the ramp before existing the permit area. This ramp is designed with several elevated bars that are designed to help remove material (mud and dirt) from off of the tractor and trailer tires prior to their leaving the site. This is a voluntary effort that the operator has taken to help stop off tracking.