State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Inspection Report

Permit Number:	**C0070035**
Inspection Type:	COMPLETE
Inspection Date:	Thursday, December 18, 2014
Start Date/Time:	12/18/2014 9:00:00 AM
End Date/Time:	12/18/2014 12:00:00 PM
Last Inspection:	Tuesday, November 18, 2014

Inspector: Steve Demczak,

Weather: Sunny, 30's

InspectionID Report Number: 4063

Accepted by: JHELFRIC
12/30/2014

Representatives Present During the Inspection:	
Company	Rusty Netz
OGM	Steve Demczak

Permitee: **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:

The permittee was receiving coal trucks from other location during the inspection.

Stephen J. Demczak

Digitally signed by Stephen J. Demczak
DN: cn=Stephen J. Demczak, o, ou, email=stevedemczak@utah.gov, c=US
Date: 2015.02.02 11:03:17 -07'00'

Inspector's Signature:

Steve Demczak,
Inspector ID Number: 39

Date Monday, December 22, 2014

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

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UTAH DNR OIL, GAS & MINING

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

1. Permits, Change, Transfer, Renewal, Sale

DOGM Permit - The permit expires on Feb 4, 2018.
-UPDES permit #UT0024759 effective July 1, 2013 and expires midnight June 30, 2018.
-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. (January 18, 2011)
-Certificate of Insurance effective 08/01/2014 and terminates 08/01/2015.
-Reclamation agreement is dated December 1996 and signed by both parties

2. Signs and Markers

The identification signs were inspected and contain the required information as required in the R645 Coal Rules.

3. Topsoil

The topsoil piles were inspected with no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

The diversions were inspected and were functioning as design. Culverts were inspected and were open.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment ponds were inspected on September 25, 2014. No hazardous conditions were reported. No sediment pond was discharging during the inspection. Embankments appear to be stable.

4.d Hydrologic Balance: Water Monitoring

The water data is submitted to the Division.

4.e Hydrologic Balance: Effluent Limitations

There was no discharge for September, October and November.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile was inspected on September 25, 2014. No hazardous conditions were reported.

8. Noncoal Waste

The site was clear of non-coal waste materials.

10. Slides and Other Damage

No slides or other damage was notice during the inspection.

18. Support Facilities, Utility Installations

No new support facilities since the last inspection.

21. Bonding and Insurance

A Pledge and Escrow agreement dated January 4, 2002 is in place. The escrow agency is Wells Fargo for SCA. SCA has invested $1,780,250.19 in federally guaranteed Treasury Notes as of December 31, 2006. The required bond amount is $1,720,000. Insurance is by Author J. Gallagher Risk Management Services, Inc. The policy number is #35816976 and expires on August 1, 2015.