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

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

Permit Number:	**C0070035**
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, November 13, 2018
Start Date/Time:	11/13/2018 11:30:00 AM
End Date/Time:	11/13/2018 2:00:00 PM
Last Inspection:	Thursday, October 11, 2018

Inspector: Steve Demczak,

Weather: Sunny, 30's, Dry Conditions

InspectionID Report Number: 6290

Accepted by: DHADDOCK
11/21/2018

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 Sunnyside facility was receiving coal at the time of the inspection.
The UPDES permit has expired. The company is still complying with the expired permit until the new permit is issued.

Stephen J. Demczak

Inspector's Signature:

Date Tuesday, November 13, 2018

Steve Demczak,
Inspector ID Number: 39

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
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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, 2023.
-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 2/3/2018 and terminates 2/3/2019.
-Reclamation agreement is dated December 1996 and signed by both parties.
- There are no permitting actions with the Division at this time.

2. Signs and Markers

The identification sign was inspected and it meets the requirements of the R645 Coal Rules. See Photo

3. Topsoil

I inspected the topsoil piles and I did not see any signs of wind or water erosion. The topsoil piles appear to be stable and protected by a berm. See Photo

4.a Hydrologic Balance: Diversions

I inspected diversions and culverts throughout the property. They were open and would function as designed during a storm event. The structures were recently re-graded and cleaned out of sediment. See photos

4.b Hydrologic Balance: Sediment Ponds and Impoundments

I inspected the sediment ponds throughout the property. They contained some water but were not discharging. It is unlikely these structures will discharge in the near future. The embankments appear to be stable. Inlets and outlets would function as designed. I did not see any hazardous conditions to these structures. The permittee conducted a third quarter sediment pond inspection on September 27, 2018. No hazardous conditions were reported.

4.c Hydrologic Balance: Other Sediment Control Measures

Silt fences were inspected and comply with the requirement of the R645 Coal Rules.

4.d Hydrologic Balance: Water Monitoring

Water monitoring information is taken by the permittee and is sent electronically to the Division in Salt Lake City. This information is reviewed and analyzed by the Division staff. A report is written.

4.e Hydrologic Balance: Effluent Limitations

The permittee was in compliance with the UPDES permit for the third quarter. No discharge for the third quarter.

7. Coal Mine Waste, Refuse Piles, Impoundments

I inspected the refuse pile and it appears to be stable. I did not notice any hazardous conditions to the embankments. The refuse pile is active. The permittee conducted a third quarter refuse pile inspection on September 27, 2018. This document is P.E. certified. No hazardous conditions were reported. See Photos

8. Noncoal Waste

The site was clean of non-coal waste materials such as trash, oil cans, wood and scrap materials.

10. Slides and Other Damage

No slides or other damage was noticed during the inspection.

16.a Roads: Construction, Maintenance, Surfacing

The roads were compacted with no dust control problem. The roads were wet and had been recently watered.

16.b Roads: Drainage Controls

I inspected the road diversions and culverts throughout the property. They were functioning as designed. See Photos

18. Support Facilities, Utility Installations

No new facilities constructed since the last inspection.

19. AVS check

AVS checks are made in Salt Lake City.

21. Bonding and Insurance

The bond is a collateral bond in the amount of $1,775,000, as of December 31, 2006. Insurance is by Arch Insurance Company. The policy number is EPO101140501 and expires on February 3, 2019.

(NOT TRANSFERABLE) From JAN 8th 20 18 Expires DEC. 31st 20 18

2193

BUSINESS LICENSE

BY AUTHORITY OF THE ORDINANCES OF EAST CARBON CITY, CARBON COUNTY, STATE OF UTAH

Business Name SUNNYSIDE COGENERATION ASSOCIATION

Granted to Sunnyside Co-Generation Assc Address #1 POWER PLANT ROAD

in conformity with the Ordinances of East Carbon City to carry on the business of

POWER GENERATION

Having paid to the City Treasury the sum of $ 100.00
the same is hereby duly authorized.

Given under my hand and the seal of East Carbon City this 8th day of JAN 20 18

ATTEST: Elizabeth Holt RECORDER/CLERK APPROVED: [signature] MAYOR

SUNNYSIDE COGENERATION
ASSOCIATES
(801)888-4476
P.O. BOX 10
EAST CARBON, UTAH 84520
PERMIT # ACT/007/035