



GARY R. HERBERT
Governor

SPENCER J. COX
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

January 8, 2018

Gerald Hascall, Plant Manager
Sunnyside Cogeneration Associates
One Power Plant Road
P.O. Box 159
Sunnyside, Utah 84539

Subject: Five-Year Permit Renewal, Sunnyside Cogeneration Associates, Sunnyside Refuse, C/007/0035, Task #5546

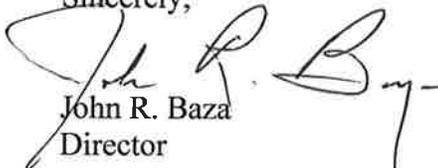
Dear Mr. Hascall:

Enclosed are two original renewed permanent program mining permits for the Sunnyside Refuse with the State's Decision Document. The Sunnyside Refuse permit is renewed. Please read the permit to be sure you understand the requirements of the permit and conditions.

Please have both copies signed by the company official with signatory authority and return one copy to the Division.

If you have any questions, please call Daron Haddock at (801) 538-5325.

Sincerely,



John R. Baza
Director

JRB/DRH/ss
Enclosures
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**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL**

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry
C/007/0035
January 8, 2018

Contents

- * Administrative Overview
- * Permitting Chronology
- * Findings
- * Affidavit of Publication
- * AVS Compliance Memo
- * Permit

ADMINISTRATIVE OVERVIEW

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry
C/007/0035
January 8, 2018

Background

The initial permit for the Sunnyside operation was issued on February 4, 1993. This permit allowed Sunnyside Cogeneration Associates (SCA) to conduct surface mining operation on a portion of the old Sunnyside mine. Coal waste and slurry are recovered from the refuse piles and slurry ponds for use as fuel in the Sunnyside Cogeneration power plant.

The permit was subsequently renewed in 1998, 2003, 2008 and 2013. The Division received SCA's application for a 5 year successive renewal on October 3, 2017.

Analysis

The Permittee has met the requirements for permit renewal. The Permittee (Sunnyside Cogeneration Associates) continues to operate the site in accordance with the approved Mining and Reclamation Plan. The notice of permit renewal was published in the Sun Advocate on October 19, 24, 26, 31, November 2, 7, 9 and 14, 2017. No comments were received during the public comment period.

Recommendation

Requirements for permit renewal have been met. Approval for this permit renewal is recommended.

PERMITTING CHRONOLOGY

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry
C/007/0035
January 8, 2018

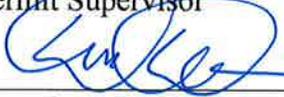
- October 3, 2017 Division received application from Sunnyside Cogeneration Associates for mining permit renewal.
- October 16, 2017 Division notifies Sunnyside Cogeneration Associates that the Sunnyside Refuse and Slurry permit renewal application is determined complete.
- October 17, 2017 Division notifies other federal, state and local agencies about the Sunnyside Refuse and Slurry permit renewal.
- October 19, 24, 26, 31,
November 2, 7, 9 and 14, 2017 Public Notice of permit renewal for the Sunnyside Refuse and Slurry published in the Sun Advocate.
- December 15, 2017 End of public comment period. No comments received.
- January 8, 2018 Approval of Permit effective February 4, 2018.

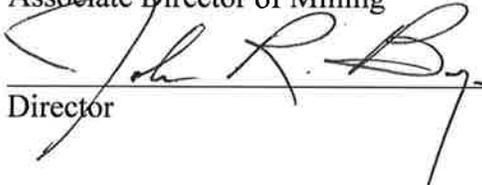
PERMIT RENEWAL FINDINGS

Sunnyside Cogeneration Associates
Sunnyside Refuse and Slurry
C/007/0035
January 8, 2018

1. The permit renewal term will not exceed the original permit term of five years. (R645-303-234)
2. The terms and conditions of the existing permit are being met. (R645-303-233.110)
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. (R645-303-233.120)
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. (R645-303-233.130)
5. The operator has provided evidence of maintaining liability insurance in full effect. (Arch Insurance Co #EPO101140500)(R645-303-233.140)
6. The permittee has posted a reclamation performance bond in the form of Treasury Securities in the required amount of \$1,775,000. This instrument will remain in full effect for the additional permit period. (R645-303-233.150)
7. The Permittee has submitted all updated information as required by the Division at this time. (R645-233.160)


Permit Supervisor


Associate Director of Mining


Director

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Kevin Ashby, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 8 (Eight) consecutive issues, and on the Utah legals.com website; the first publication was on the 19th day of October, 2017, and that last publication of such notice was in the issue of such newspaper dated the 14th day of November, 2017



Kevin Ashby – Publisher

Subscribed and sworn to before me this 14th day of November, 2017.



Notary Public My commission expires January 10, 2019 Residing at Price, Utah

Publication fee, \$ 873.60



PUBLIC NOTICE

Notice is hereby given as required by the Utah Coal Mining Rules, R645-300-121 that Sunnyside Cogeneration Associates, P.O. Box 159, Sunnyside, Utah 84539, has filed an application for a five year renewal of coal mining Permit No. C/007/035. Approval of this application will allow Sunnyside Cogeneration Associates to continue to operate the Sunnyside Refuse and Slurry Coal Mine under the provisions of the Utah Coal Mining and Reclamation Act and the Utah R645 Coal Mining Rules.

The permit area is comprised of approximately 251.21 acres located in Carbon County Utah. The property is located within lands shown on USGS 7.5 minute "Sunnyside" Quadrangle map generally described as:

S ½ and SE ¼ of NE ¼ Section 6, T 15 S, R 14 E, SLB&M
N ½ Section 7, T 15 S, R 14 E, SLB&M

Copies of the permit will be available for inspection at the:

Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Carbon County Courthouse
751 East 100 North
Price, Utah 84501

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 Regulatory Program, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84116
Published in Sun Advocate October 19, 24, 26, 31, November 2, 7, 9 and 14, 2017.



GARY R. HERBERT
Governor

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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

January 3, 2018

TO: Internal File

FROM: Daron R. Haddock, Permit Supervisor 

RE: Compliance Review for Section 510 (c) Findings

As of the writing of this memo, there are no NOV'S or CO's which are not corrected or in the process of being corrected. There are no finalized Civil Penalties, which are outstanding and overdue in the name of Sunnyside Cogeneration Associates. Sunnyside Cogeneration Associates does not demonstrate a pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The recommendation from the Applicant Violator System (AVS) denotes that all connected entities either do not have any civil penalties or are under a settlement agreement (attached).

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Permit Evaluation

Permit Number C0070035 SEQ:6
 Permittee Name 128991 Sunnyside Cogeneration Associates
 Date of Request 1/3/2018 10:32:55 AM
 Requestor suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

There were no violations retrieved by the system

Evaluation OFT

Entities: 9

149244 Colmac Sunnyside Inc - ()
 ---149249 Robert S Mcleese - (Chairman of the Board)
 ---149249 Robert S Mcleese - (Chief Executive Officer)
 ---149249 Robert S Mcleese - (Chief Financial Officer)
 ---149249 Robert S Mcleese - (Director)
 ---149249 Robert S Mcleese - (Treasurer)
 ---149252 Sunnyside Holdings I Inc - (Subsidiary Company)
 -----128991 Sunnyside Cogeneration Associates - (Subsidiary Company)
 -----255032 Gerald Hascall - (Manager)
 -----149249 Robert S Mcleese - (Chairman of the Board)
 -----149249 Robert S Mcleese - (Chief Executive Officer)
 -----149249 Robert S Mcleese - (Chief Financial Officer)
 -----149249 Robert S Mcleese - (Director)
 -----149249 Robert S Mcleese - (Treasurer)
 -----250060 Chris L. Thompson - (Director)
 -----250060 Chris L. Thompson - (President)
 -----254122 Joseph C Lane - (Secretary)
 -----254122 Joseph C Lane - (Treasurer)
 ---250060 Chris L. Thompson - (Director)
 ---250060 Chris L. Thompson - (President)
 ---251032 William Langan - (Assistant Secretary)
 ---251032 William Langan - (Director)
 ---254122 Joseph C Lane - (Secretary)
 ---260266 Colmac Utah, Inc. - (Subsidiary Company)
 -----128991 Sunnyside Cogeneration Associates - (Subsidiary Company)
 -----255032 Gerald Hascall - (Manager)
 -----149249 Robert S Mcleese - (Chairman of the Board)
 -----149249 Robert S Mcleese - (Director)
 -----149249 Robert S Mcleese - (Treasurer)
 -----250060 Chris L. Thompson - (Director)
 -----250060 Chris L. Thompson - (President)
 -----250060 Chris L. Thompson - (Secretary)

Narrative

NON-FEDERAL

**PERMIT
C/007/0035**

February 4, 2018

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple
Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801**

This permit, C/007/0035, is issued for the State of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Sunnyside Cogeneration Association
One Power Plant Road
Sunnyside, Utah 84539
(435) 888-4476**

for the Sunnyside Refuse/Slurry. Sunnyside Cogeneration Associates is the lessee of federal, state and fee-owned property. A performance bond is filed with the Division in the amount of \$1,775,000.00, payable to the State of Utah, Division of Oil, Gas and Mining. The Division must receive a copy of this permit signed and dated by the Permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands within the permit area at the Sunnyside Refuse/Slurry situated in the State of Utah, Carbon County, Utah as follows:

Portions of S1/2 and SE1/4 of NE1/4 Section 6, T 15 S, R 14 E, SLB&M
Portions of N1/2 Section 7, T 15 S, R 14 E, SLB&M

This legal description is for the permit area of the Sunnyside Refuse/Slurry included in the mining and reclamation plan. The Permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of the leases, including all conditions and all other applicable conditions, laws and regulations.

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

- Sec. 4 PERMIT TERM** - This permit expires on February 4, 2023.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials and without delay to:
- (a) Have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
 - (b) Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by a private person.
- Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct coal mining activities and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:
- (a) Any accelerated or additional monitoring necessary to determine the nature of noncompliance and the results of the noncompliance;
 - (b) Immediate implementation of measures necessary to comply; and
 - (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
- Sec. 9 DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

- Sec. 10 CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:
- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
 - (b) Utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to who notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.), and the Clean Air Act (42 USC 7401 et seq.), UCA 26-11-1 et seq., and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit area in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If, during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.
- Sec. 18 SPECIAL CONDITIONS** - The permittee shall comply with the special conditions in Attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

THE STATE OF UTAH

By: 
Date: 1/18/18

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

PERMITTEE (Authorized Representative)

By: _____

Date: _____

Attachment A
Conditions

1. Sunnyside Cogeneration Associates will submit water quality data for the Sunnyside Refuse and Slurry in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>